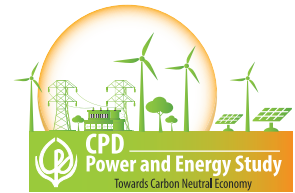


Currents of Change

Quarterly Brief of Power & Energy Sector of Bangladesh

Volume 3, Brief No. 1

July-September 2025



Highlights

- The 1st quarter of FY2026 (July-September 2025) witnessed NDC 3.0, with combined emission reduction target of 84.9mts CO₂eq (20.3 per cent), whilst the NDC 3.0's power sector's carbon emission reduction target was more conservative than NDC 2.0.
- This quarter also faced an intensified level of load-shedding, surpassing even the summer peak, whilst September 2025 recorded highest incidence of load-shed during the year.
- Very high variation in fuel cost of oil-based power generation was observed in July, for the spillover effect of Middle East crisis. Notably, in August, the BPC launched Dhaka–Chattogram oil pipeline to ensure better fuel supply in the main business route.
- Overemphasis on LNG imports by the interim government has been observed during these three months which would adversely affect country's energy transition.
- Though the govt launched NRSP to generate 3,000 MW of power from rooftop solar systems, renewable energy expansion still remains sluggish for reasons including prolonged delay in 30 MW Tetulia Solar Plant installation, challenges in land acquisition, inter-agency coordination, and grid readiness.

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1. Background

The power and energy sector has started a new quarter, Q1 of FY2026 (July-September) with business-as-usual tempo without having any notable change and very few significant incidents, decisions and changes have been made. The most significant policy decision during this quarter was the submission of the Nationally Determined Contribution (NDC) 3.0 to UNFCCC. Others include- (a) initiation of National Solar Rooftop Programme 2025, (b) repayment of power plant dues, (c) putting emphasise on the domestic gas exploration through partnership with Chinese companies, (d) overemphasis on excessive LNG import, and (e) cancellation of 15-year LNG supply contract with Summit Group's SOSCL.

The quarterly is segregated into six broad sections. These are as follows: (i) a brief snapshot of the major policy and operational decisions; (ii) generation, transmission & distribution of the power sector; (iii) demand, supply & exploration in the energy sector; (iv) status of renewable energy; (v) remarks on the overall health of the power and energy sector during this quarter; and (vi) a short interview of BGMEA on the prospect of renewable energy in the industrial power supply.

2. Short interview of Mr Mahmud Hasan Khan, President, Bangladesh Garments Manufacturers and Exporters Association (BGMEA) & Managing Director, Rising Group

a. Being the newly elected president of the BGMEA, how do you want to see the energy transition in the sector?

- As the president of the BGMEA, I aspire to motivate all the member factories to opt for



Mr Mahmud Hasan Khan, President BGMEA & Managing Director, Rising Group



Photo: Rooftop solar panel at the factory of Rising Group

renewable or sustainable energy-based power consumption. Especially for the EU suppliers, we will ensure that 30 per cent of the electricity consumption is from renewable sources of electricity by 2030.

b. Does the BGMEA have medium-to-long-term plans regarding the renewable energy expansion especially during your tenure?

- We are yet to decide on any specific medium- or long-term targets set for renewable energy, except consuming 30 per cent of electricity from renewable sources for the factories that supply for EU based brands and buyers. In fact, some of the buyers have shortened the time period from 2030 to 2026. After the discussion, we will determine a target from the BGMEA, keeping in mind that we have to do this for our future generation, not only because we have to fulfill the conditionality of any buyer or so. Right now, we actually are trying to motivate and convince all the factories that from commercial perspective, renewable energy is profitable for their businesses. It is not very easy to change or shape peoples' perception on something like energy transition. I always give them my example and most of the member factory representatives have visited my factory to see how practical it is to install solar PVs and generate electricity from that and use the generated power for production in the factory.

c. How BGMEA plans to promote renewable energy expansion among the member factories of the BGMEA? Are there any incentives or technical support or facility offered from the BGMEA's side?

- Under Bangladesh Bank's Green Transformation Fund, we can take loans at 5 per cent interest rate. In addition to that, if the companies comply with the proper due diligence, we can access low-cost finances from Infrastructure Development Company Limited (IDCOL). Now, we have informed the buyers that if they want to provide financial assistance or make connections, the rate of interest must be less than or at least 5 per cent. We are also trying to negotiate with Bangladesh Bank to see if they can relax the conditionality of the loan and financing, or refinancing schemes.

Another scope is utilising the newly announced Merchant Power Plant Policy. Factories that do not have the means to install and generate rooftop solar can purchase electricity from merchant power plants to meet the criteria. So, we are also advocating for that.

d. What are the challenges that were faced by the member factories in order to set up the solar PV infrastructure in the factory building?

- There are three main challenges that are faced in the readymade garment (RMG) factories. First, the RMG factories have a vertical structure, meaning there is not much of a roof area, and for safety reasons we need to keep some of that particular area vacant. So, we cannot install huge capacity based solar PVs. Second, the high rate of interest against the loans, financing

and refinancing schemes. Third, the high duty and tariff on the solar PV equipment except solar panels and inverters. Other than these two, the tariff rate of mounting structure and other equipment are as high as 60 per cent.

e. What drove you to go for solar PVs in the Rising Group spinning factories? And how was your experience so far?

- In the Rising Group, we have constructed 9.6 MW rooftop solar PVs in the two factories situated in two geographical locations. We started with only 2 MW of solar electricity eight years ago and we aspire to build solar renewables in all our factories. Whenever I visited any factories abroad, specially in China, I always noticed that they have rooftop solar PVs which are functional and operating perfectly. That made me realise that if China can do it, why cannot we. Additionally, we have started to move towards renewables because of two simultaneous financial factors. On one hand, the cost of using solar grid is increasing day by day, and on the other hand, solar electricity is becoming cheaper given the decreasing cost of electricity generation. Lastly, due to gas supply shortage, we could not operate our captive power plants which ultimately hampered the production. So clearly, from business perspective it is only rationale to shift towards solar electricity. If I successfully establish solar PVs on the rooftop of all factories which I aim to do, it can generate 14 MW of electricity from solar.

f. From the industrial electricity demand point of view, to what percentage share renewable energy can meet?

- Renewable energy can never supply 100 per cent of the total electricity demand of an industry, because it is a variable energy source and cannot supply continuous electricity. Along with renewable energy, the factory must also have grid electricity connection or captive power. But that does not mean the factories should not install solar PVs, they most definitely should because it will reduce the operational cost or revenue expenditure. Through Net Energy Metering, the factories can even earn electricity bill offsetting.

g. Did the installation of solar PVs generate additional employment in Rising factory?

- Yes, for the regular maintenance whether the factories are doing it manually or using semi- robotic technology, we need manpower to clean it. Given the dusty condition in the industrial area, the solar panels need to be cleaned in every alternative day.

h. Not only from solar PVs but also from grid, cost wise is it possible to fully meet the factory operation from renewable energy?

- I believe it is possible; I am doing it. Renewable energy is a business case for the industrial sector. Depending on the location, peak & off- peak the cost of per unit grid electricity varies from BDT 10-12, whereas, per unit electricity from rooftop solar costs around BDT 5-6, at 5 per cent interest rate.

i. How was the experience of IDCOL and commercial banks regarding the financing of solar PVs?

- We took loan from IDCOL for only 3 MWs of solar PV, and the rest were from the commercial banks under the GTF refinance scheme of Bangladesh Bank. The loan repayment period of IDCOL is higher than commercial banks. IDCOL's repayment period is 8 years whereas the repayment tenure for commercial bank is 6 years. But the conditionality and due diligence process is stricter in IDCOL compared to the GTF scheme. The approval process through the board meeting in IDCOL is also lengthy and time consuming. I think the authorities concerned should look into it and make a mandatory rule for organising at least 2 board meetings monthly. In case of the commercial banks, we did not face any issues whilst receiving the financing, however, when it went to Bangladesh Bank for refinancing, we encountered similar problems.

j. Do you think that other major businesses may consider renewable energy as a suitable option for the energy source and initiative similar energy transition goals?

- Other industries are in more favourable situation than the RMGs as they do not face the infrastructural limitation. The roofs of these factories must be used for renewable energy generation as it will benefit that business the most. Especially, the Bangladesh Textile Mills Association (BTMA) could use their potential to install rooftop solar panels as the factory buildings are usually of horizontal structure. Taking inspiration from the RMG industry, other industries and associations must come forward to transit towards renewables with the only motivation that renewable energy is a business case.

3. Major Decisions Taken During July-September 2025

Policy Decisions: During the Q1 of FY2026 (July to September 2025), the government policy decisions in the energy sector remained as usual given the laid-back approach of this sector. Compared to the previous quarter, this period highlighted decreased policy decisions to promote renewable energy and focuses on maintaining the continuous supply of power and energy and import of energy and fuel specially LNG (figure 1 & 2).

During this quarter, noteworthy developments came in regarding the initiation of the National Solar Rooftop Programme. The programme includes directives to install rooftop solar panels on all government buildings and educational and health establishments using CAPEX or OPEX models. The timeline has been pushed back given the technical and financial constraints from 2025 to 2026. Another significant policy intervention during this quarter was the submission of NDC 3.0 with the significant priority given to energy sector. However, concerns regarding the newly set less ambitious emission targets have raised questions on the credibility of the party's willingness to limit the emission through renewable energy expansion. Additionally, the Bangladesh Energy Regulatory Commission (BERC) has continued making multiple price adjustments for liquefied petroleum gas (LPG) cylinders and jet fuel.

Figure 1 Government and Government Relevant Authorities' Action Focus Point During July- Sep 2025

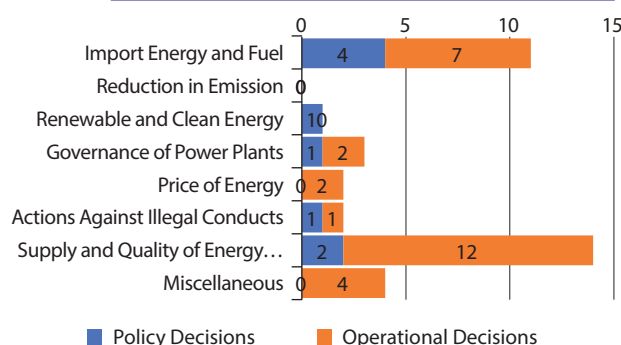
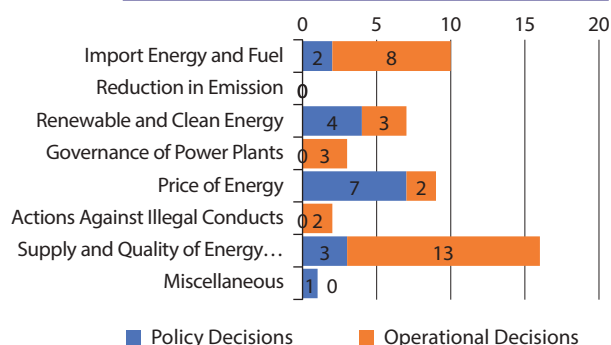


Figure 2 Government and Government Relevant Authorities' Action Focus Point During April- June 2025



Source: Authors' Compilation of Various Newspapers and Relevant Government Websites.

Power Sector in NDC 3.0: The CPD Power and Energy Study proposed that the Ministry of Environment and Climate Change (MoECC) in consultation with the Ministry of Power Energy and Mineral Resources (MoPEMR) should set an ambitious emission reduction target of CO₂ emission would be 76.9 m. ton, 91.2 m. ton and 103.3 m. ton respectively. The Bangladesh NDC 3.0 must qualify the UNDP quality assurance checklist for NDC 3.0. Moreover, the NDC 3.0 should be passed on four indicators of the checklist – (a) country ownership and inclusivity; (b) ambitious; (c) just transition and sustainable development; (d) clarity and transparency; and (e) feasibility.

The NDC 3.0, drafted by the Department of Environment (DoE) under the MoECC of Bangladesh, has been submitted to the United Nations Framework Convention on Climate Change (UNFCCC). The finalised version has raised serious wave of questions regarding the overall greenhouse gas (GHG) emission mitigation targets (unconditional and conditional) for 2035. According to the UNFCCC, the parties need to set more ambitious targets for reduction of carbon emission in NDC to be submitted in 2025 (called NDC 3.0) compared to that was submitted in 2021/22 (called NDC 2.0). In case of Bangladesh, both the targets in terms of percentage and absolute number have been reduced from that of NDC 2.0. Such demonstration of less ambitious emission reduction targets has violated UNFCCs guidelines to keep the temperature bellow 1.5 degree Celsius. The emission target of the power sub-sector is also lower than that of the NDC 2.0 emission targets. One rationale from the DoE's end is the alteration of the baseline from 2012 to 2022 for the more realistic and appropriate GHG emission scenario. The estimated emission reduction targets at absolute numbers are also deceiving. The combined target is set at 28.6 per cent (17.6 Million Tonnes CO₂eq) of which unconditional and conditional targets are 9.9 per cent (6.1 Million Tonnes CO₂eq) and 18.6 per cent (11.5 Million Tonnes CO₂eq) respectively. According to the draft NDC 3.0, renewable energy will meet 25 per cent of the total electricity demand, which is 11,200 MW by 2035, without specifying whether the share of 25 per cent will be in terms of installed generation capacity or actual electricity demand. Unfortunately, the freshly drafted NDC 3.0 could not let go of the idea of greenwashing not so clean fuel sources in the proposed energy mix.

Operational Decisions: In the first quarter of FY2026, there was a further decrease in the volume of operational decisions within Bangladesh's energy and power sector compared to the preceding quarter, with a continuing effort on addressing important challenges such as fuel supply stabilisation, and quality maintenance.

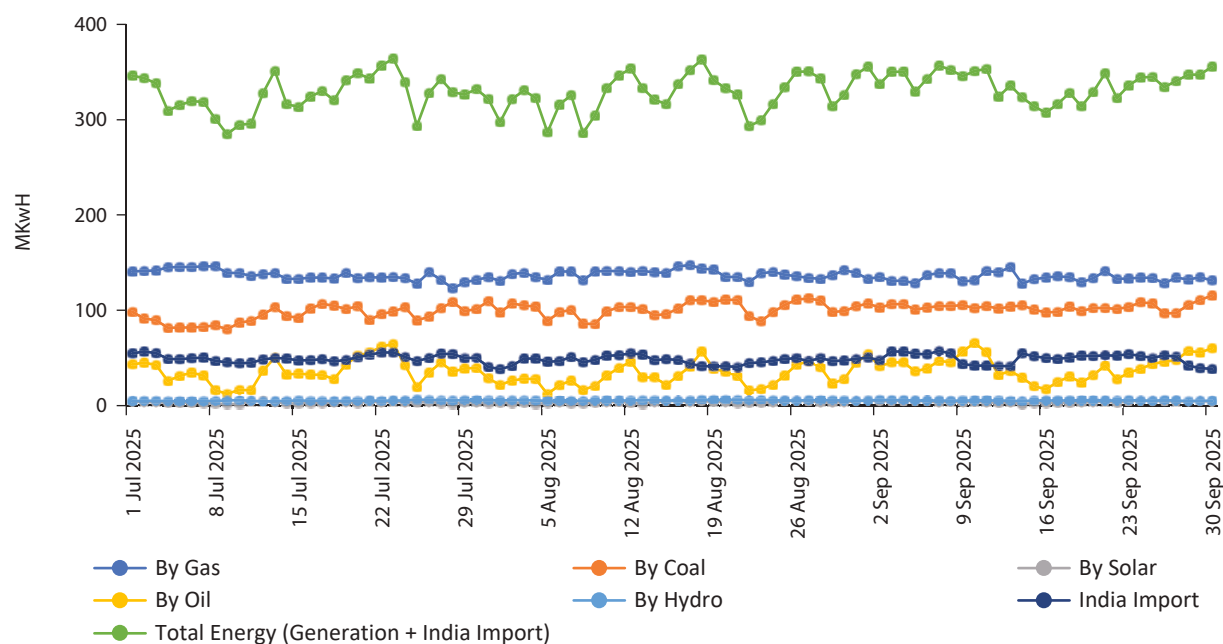
The imports of LNG through long and short-term contracts were the dominating operational decisions throughout the quarter. Alongside, few initiatives to explore the domestic gas sector has been taken, including the launching of the projects such as replacement of ageing gas pipelines and partnership between Bangladesh and Chinese Firm to drill gas wells at Titas and Bakhrabad gas fields. Decisions to penalise the power plants against their malpractices and ensure governance were also taken. The Bangladesh Power Development Board (BPDB) imposes penalties despite delaying payments to power producers BDT 249.75 crore deducted from four plants for outages. However, the IPPs held the delayed payment by BPDB responsible for fuel shortages resulting in power outage. The interim government has repaid an amount of Tk18,631 crore as outstanding power bill against electricity imports, power division and actively working to settle outstanding bills, including those owed to (India's) Adani Power and others ('Govt repays 18,631C outstanding foreign power bill in one year', 2025).

4. Generation, Transmission & Distribution of the Power Sector During July-September 2025

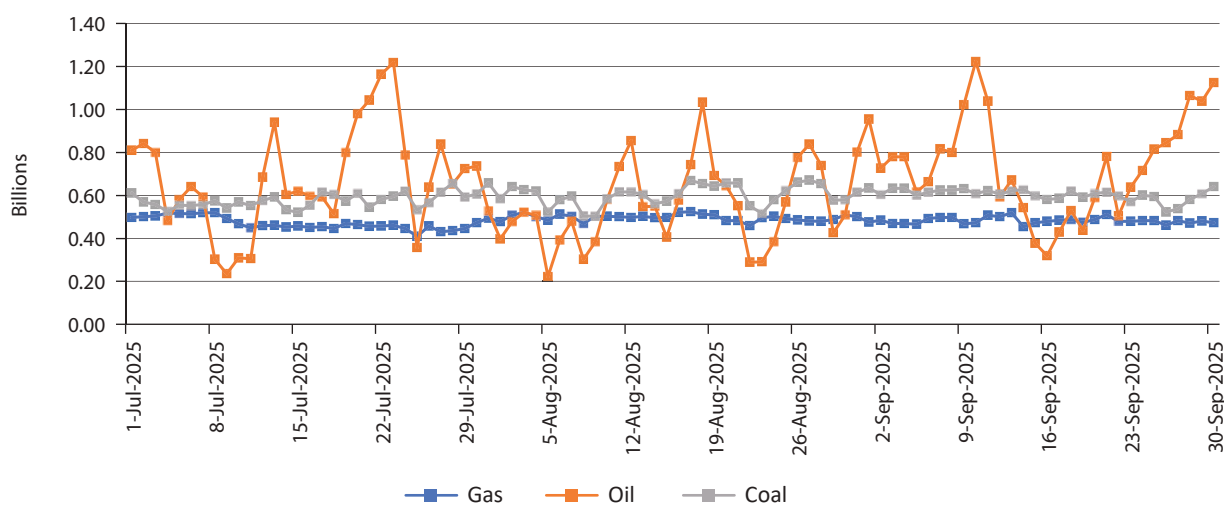
Generation: During the first quarter of the ongoing fiscal year, the installed power generation capacity of the country reached 31,610 MW (on grid and off-grid). The peak power generation of 16,794 MW (363.97 MKWh) was recorded on 23 July, whilst the lowest power generation of 13092 MW (284.73 MKWh) occurred on 9 July (Figure 3). Gas-based electricity generation was a somewhat consistent source as the cost of electricity generation from domestic gas is still the lowest. It shows a relatively stable output throughout the period, fluctuating between 147.3 million KWh and 123.1 million KWh. Coal-based electricity generation also contributes significantly, though slightly lower. It ranges between 80 million KWh and 115 million KWh, which is more stable than last quarter. Oil-based electricity generation is relatively low, fluctuating between 66 and 12.3 million KWh per day, which happened due to the high price of oil. Solar and hydropower-based electricity generation are minimal compared to other sources and are considered the least contributing sources of electricity generation. Currently, Bangladesh's on-grid installed power generation capacity is over 28,197 MW, about half of which remains idle mainly because of three reasons—(a) fuel crisis, (b) poor power supply infrastructure and (c) lack of electricity demand.

Global oil prices soared by over 10 per cent shortly after news broke of Israel-Iran brief war on 13 June. Whilst this was very alarming for import dependent country like Bangladesh, the energy adviser assured that the continued electricity supply will

Figure 3 Per Day Energy Generation by Different Fuel (MKWh)



Source: BPDB Daily Generation Report.

Figure 4 Fuel Cost (Billions BDT)

Source: BPDB Daily Generation Report.

be maintained. Despite this, the usual inconsistency in the trend persisted, with daily power generation costs ranging from a high of BDT 264.1 crore to a low of BDT 149.5 crore (Figure 4), both higher than the respective figures recorded in the previous quarter. Oil costs show extreme volatility, with frequent sharp spikes and drops, ranging from as low as BDT 22.2 crores to as high as BDT 122.4 crores. On the other hand, gas and coal expenditure remained stable throughout the period. In August, the Bangladesh Petroleum Corporation (BPC) opened the Dhaka–Chattogram oil pipeline, marking a major milestone in strengthening the country’s fuel distribution network. The per unit cost of electricity generation was the lowest on 18 April 2025 and spiked on 10 May 2025. Despite natural gas maintaining the lowest per-unit cost among all fuels, its utilisation in power generation has been suboptimal.

Transmission and Distribution: During the start of this quarter, Bangladesh’s transmission network has expanded to 17,363 circuit kilometres (table 1), whilst distribution lines covered the same 648,725 kilometres. The grid substation capacity stood at 78,266 Mega Volt Ampere (MVA). By the end of August, transmission lines had further extended to 17,559 circuit kilometres, with distribution line coverage increasing to 649,043. The grid substation capacity increased to 78,896 MVA by the end of August. During these two months, transmission lines expanded by 1.13 per cent in circuit kilometres. Additionally, grid substation capacity increased by 0.80 per cent. In this year, for the first time the length of distribution lines was extended by 0.05 per cent. The BPDB monthly progress report has not been published for September at the time of publishing this quarterly, hence the entire scenario of the progress could not be represented.

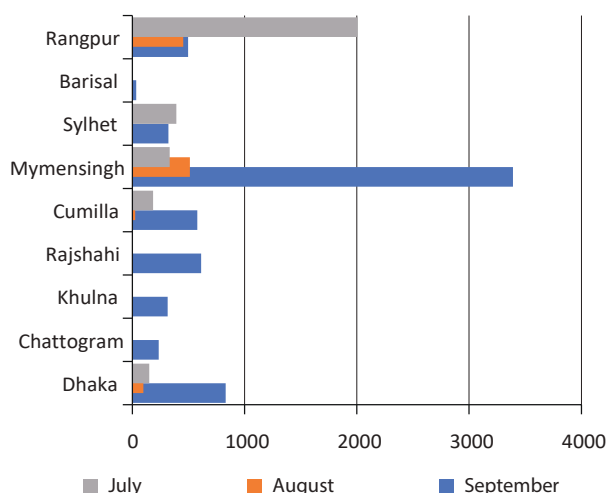
Load Shedding: As the monsoon season began in Bangladesh, the country has faced increased level of load-shedding which surpassed the summer level as well. In the previous quarter, the highest amount of load shedding was recorded in April at 3,130 MW around the country. It declined in June to 738 MW. But during this quarter, load shedding increased to 3,069 MW in July and then after a brief decline in August, it further intensified abnormally to 6,816 MW in September. According to the PGCB report, on 9 September alone, total load shedding reached 1,308 MW throughout the country. Parts of Bangladesh experienced load shedding following technical glitches that disrupted power generation at several large power plants, according to the Power

Table 1 Progress in Transmission-Distribution System

Indicators	Start of Q1 (Jul'25)	End of Q1 (Aug'25)	Change in %
Transmission lines (Circuit Km)	17,363	17,559	1.13
Distribution lines (Km)	648,725	649,043	0.05
Grid sub-station capacity (MVA)	78,266	78,896	0.80

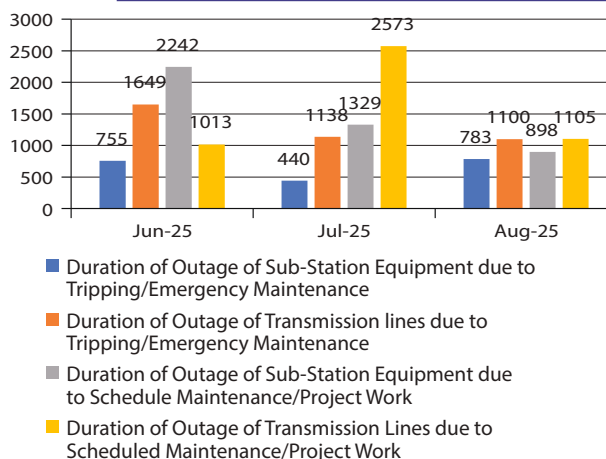
Source: BPDB monthly progress report has not been published for the month of June.

Figure 5 Zone-wise Load-shed at Evening Peak (Generation end) in MW



Source: BPBD Daily Generation Archive.

Figure 6 Zone-wise Load-shed at Evening Peak (Generation end) in MW



Source: PGCB Operation Monthly Reports

Development Board (PDB). Electricity supply disrupted in Satkhira as power grid line catches fire on 20 September (Electricity supply disrupted in Satkhira as power grid line catches fire, 2025). So far, the country has seen the most load shedding in September this year.

Figure 5 reflects the load shedding scenario in various regions of Bangladesh during July-September 2025 period. Every region experienced some amount of load shedding in this quarter. As usual, Mymensingh faced the highest load-shedding. Surprisingly, Rangpur has experienced an increasing amount of load shedding in this quarter, even more than Mymensingh in July (2,007 MW). The fuel crisis, mainly due to the dollar crisis, has been responsible for inadequate power generation.

According to the BPDB data, as load-shedding has intensified in this quarter from the generation's end, some areas experienced load-shedding due to the failure of the transmission and distribution system. Figure 6 summarises the monthly outage durations due to emergency and scheduled maintenance during June 2025 to August 2025, categorised by sub-station equipment and transmission lines. Outage due to tripping or emergency maintenance of sub-station equipment has been consistently on the rise from the last quarter. A similar pattern was observed in transmission lines, where emergency-related outages were above 1,000 MW throughout the quarter. Scheduled maintenance work spiked in July more than June and August. Part of Dhaka witnessed hours of power cuts on 25 September following the partial collapse of the national power transmission grid.

Table 2 Fossil Fuel Phaseout and New IPPs during July- September 2025

Fuel		Gas		Coal		Oil		Renewables	
		Number	Capacity (MW)	Number	Capacity (MW)	Number	Capacity (MW)	Number	Capacity (MW)
New IPP	July	1	718	–	–	–	–	–	–
	August	–	–	–	–	–	–	1	65
	September	–	–	–	–	–	–	–	–
Contract Expired IPP	July	–	–	–	–	–	–	–	–
	August	–	–	–	–	2	95+108	–	–
	September	–	–	–	–	–	–	–	–

Source: BPDB.

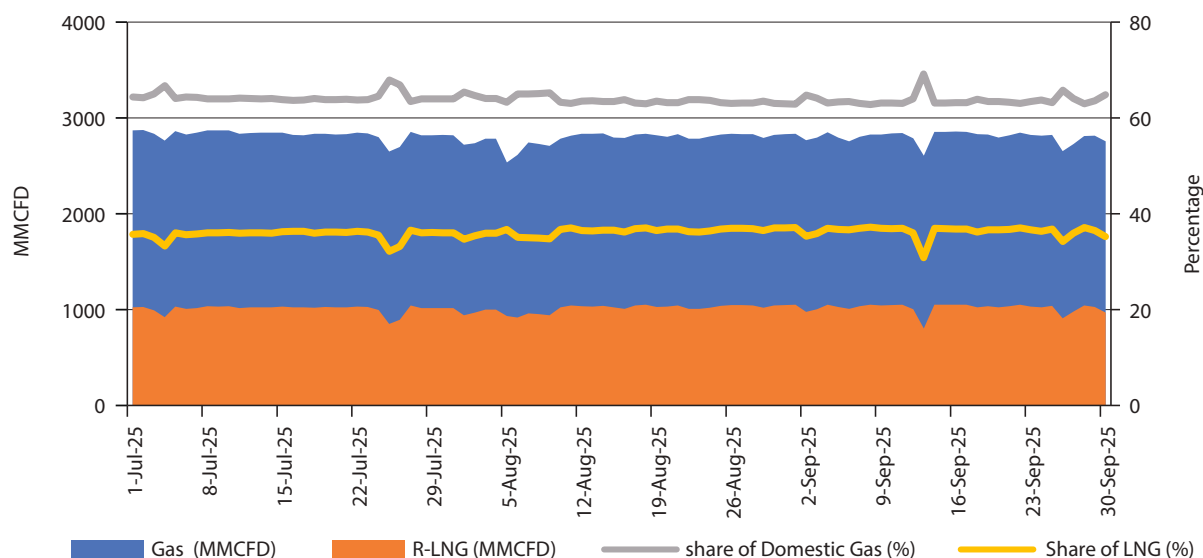
Fossil Fuel Phaseout and New IPPs

In this quarter, two new IPP's - Meghnaghat 718 MW CCPP and Pabna 64.55 MW Solar Park have been commissioned. Meanwhile, two IPPs in July, named Jamalpur 95 MW PP and Bosila 108 MW PP, have been phased out. However, due to a lack of updated data on contract expiration dates and renewal of IPPs, tracking the timely phaseout of these IPPs has become troublesome. The BPDB needs to provide an updated database mentioning the commissioning and expiration date of IPPs.

5. Demand, Supply & Exploration in the Energy Sector During July- September 2025

Gas Demand and Supply: During July-September 2025, the gas supply, including LNG, was mostly stable throughout the quarter from as low as 2,606.9 mmcf at the ending of the quarter (13 September 2025) to as high as 2,872.9 mmcf in the beginning of the quarter (2 July 2025). The share of LNG supply has been much lower compared to the previous quarter. LNG supply in the domestic gas supply rose as high as 53.7 per cent, the highest ever in the Q4 of FY25. This quarter's highest LNG share remains at 37 per cent (figure 7). Compared to the previous quarter, the LNG supply was as low as 803.9 mmcf (31 per cent of the total gas supply) (Figure 7) and to as high as 1,053.2 mmcf (37 per cent of the total gas supply). Even after increasing the LNG import significantly, Petrobangla is still not being able to meet the domestic gas demand.

Figure 7 Domestic Gas and LNG Supply



Source: Petrobangla daily gas data.

Gas Exploration: During this quarter, few initiatives are noticed to explore the domestic gas sector, including the launching of BDT 8,069 crore project to replace ageing gas pipelines and address the long-standing issues of low gas pressure and extensive leaks in Dhaka, Narayanganj, and Gazipur by Titas Gas. The project is five-and-a-half-years long and scheduled to run from July 2025 to December 2030, will involve replacing 2,781 km of old infrastructure. Bangladesh Gas Fields Company Limited (BGFCL) has signed an agreement with China's Chuanqing Drilling Engineering Company Ltd (CDECL) to drill two deep gas wells at the Titas and Bakhraabad fields, aiming to ease the country's ongoing energy shortage. This BDT 798 crore project will be funded through a BDT 558.6 crore government loan and BDT 239.4 crore from BGfcl's own equity.

LNG Import: In 2025, the interim government did put immense importance on the import of LNG, particularly during this quarter. The state-run Petrobangla is importing a total of 108 LNG cargoes in 2025, the highest number in a single year. In another initiative, Petrobangla cancelled its 15-year LNG supply contract with Summit Group's SOSCL, originally set to begin in October 2026. The deal was tied to Summit's second FSRU, which was cancelled in 2023 due to failure to provide a performance bond. Summit appealed the contract termination, but Petrobangla upheld the cancellation citing limited capacity at existing terminals and future LNG commitments as reasons for not needing additional supply.

The government has extended a sovereign and indemnity guarantee to the World Bank (WB) to support Petrobangla's costly liquefied natural gas (LNG) imports, ensuring payment if the state-run company fails to repay its loans on time. State-run Petrobangla has selected eight local and foreign commercial banks to facilitate the import of expensive liquefied natural gas (LNG), backed by a repayment guarantee from the World Bank (WB), as Bangladesh seeks to secure its future energy supplies and ease pressure on foreign exchange reserves. Through a competitive tender, Petrobangla shortlisted three foreign banks - Germany's Deutsche Bank, the Development Bank of Singapore, and Standard Chartered - and five local banks - Prime Bank PLC, Eastern Bank PLC, Dutch-Bangla Bank, the City Bank PLC, and BRAC Bank PLC - to provide financial support for LNG imports starting in 2026.

Financial cost of continuing LNG import: The continued reliance on imported Liquefied Natural Gas (LNG) has created a major fiscal burden and a policy choice that actively works against long-term energy security and energy transition in the country. For the current fiscal year (FY2025–26), Petrobangla plans to import 115 LNG cargoes at an estimated cost of approximately BDT 580 billion, which is equivalent to roughly USD 4.8 billion, putting extreme pressure on the country's foreign exchange reserves. The planned spending on imports is highly disproportionate as it is 51 times greater than the initial BDT 11.2 billion allocated in the Annual Development Programme (ADP) for domestic gas exploration. This staggering 51:1 ratio demonstrates a policy choice favouring costly imports over developing domestic gas exploration. However, there is movement towards increasing domestic focus, the Energy Division recently approved two deep well and gas well drilling projects in Bhola totaling BDT 21.5 billion, which Petrobangla officials expect will significantly increase the final exploration allocation in the revised ADP.

The financial strain of LNG imports directly translates into a deficit that the government must cover, shifting the cost burden to the public. Petrobangla's projection for 2025 shows a significant gap between the blended gas cost (BDT 27.6 per cubic metre) and the selling price (BDT 22.9 per cubic metre). This BDT 8.66 per cubic metre difference leads to a total projected gas sales deficit of BDT 105.8 billion this fiscal year. To cover this widening gap, the government has proposed a subsidy of BDT 9,000 crore for LNG imports in FY26, which is paid using taxpayer money and thus represents a substantial public cost. Furthermore, Petrobangla's companies have already proposed to the Bangladesh Energy Regulatory Commission (BERC) to increase gas prices for industrial consumers, effectively transferring the financial burden directly to the productive sector.

6. Renewable Energy Development During July-September 2025

Progress of Renewable Energy during July-September 2025: During the July–September 2025, progress in renewable energy showed modest but steady improvement, primarily through reduced project delays and continued construction activity. According to the BPDB data, the number of fully operational, on-time power plants remained at one, unchanged for the past two quarters. Likewise, no projects became fully or partially operational, reflecting continued stagnation in completion. A positive trend was the decline in delayed projects from three in previous quarter to just one in this quarter, signaling a gradual improvement in coordination among implementing agencies and contractors. Construction also remained active, with eight projects under development, suggesting that whilst outcomes are limited, implementation momentum is being sustained.

Table 3 Progress Status of Renewable-Based Power Plants Scheduled to Operate Commercially in 2025 (During July–September 2025)

Progress Status	Number of Power Plants in Q3 of FY25	Number of Power Plants in Q4 of FY25	Number of Power Plants in Q1 of FY26
Fully Operational on Time	1	1	1
Fully Operational but Delayed	0	0	0
Partially Operational but on Time	0	0	0
Partially Operational but Delayed	1	0	0
Delayed	8	3	1
Construction Starts	8	8	8
Projects Approved	0	0	0

Source: Authors' calculation based on BPDB Monthly Reports (July–September 2025).

Persistent structural barriers, however, continue to slow progress. The Tetulia 30 MW Solar Plant (Korotoa Solar Limited) in Panchagarh has remained stalled at the transmission line development stage since April 2024, after spending nearly three years in land development. This case highlights recurring issues in land acquisition, inter-agency coordination, and grid readiness that constrain timely project delivery.

No new renewable projects were approved during the quarter, marking the fourth consecutive period of zero approvals, which indicates stagnation in the project pipeline and continued regulatory and investment challenges. As of September 2025, the BPDB reports total upcoming capacity at 5,462 MW, down from 6,245 MW in June, reflecting a reduction in projects (Table 3).

Overall, whilst project delays have eased and construction continues, the absence of new approvals and prolonged bottlenecks, exemplified by the Tetulia project, remain major obstacles to accelerating Bangladesh's renewable energy transition.

National Rooftop Solar Programme (NRSP) 2025: In July 2025, Bangladesh took a step towards a cleaner and more resilient power future with the launch of the National Rooftop Solar Programme (NRSP). The initiative seeks to generate 3,000 MW of electricity from rooftop solar systems installed on government offices, schools, and hospitals, marking a decisive move towards achieving 20 per cent renewable electricity by 2030 and 30 per cent by 2040 as set out in the Renewable Energy Policy 2025. Unlike earlier symbolic attempts, the NRSP introduces a strategic, inclusive, and technology-driven framework. Through a dedicated digital application portal, institutions can assess rooftop potential, estimate installation costs, and apply for grid connection under the Net Energy Metering (NEM) system. Dual financing models, such as CAPEX for government buildings and OPEX for educational and health facilities, enable participation without heavy upfront costs whilst reducing electricity expenses.

CPD Power and Energy Study proposes a pilot phase covering 400–450 rooftops nationwide to test operational feasibility. CPD further stresses the need for strong coordination among the BPDB, SREDA, and BREB to ensure long-term sustainability. Taking concern of them, the government has already taken its first implementation step as they are trying to establish a unified standard document for all the authorities to follow. On 29 September 2025, the Bangladesh Power Development Board (BPDB) issued a tender notice for the design, supply, installation, testing, and commissioning of a 268 kWp grid-tied rooftop solar PV system at the Khulna 330 MW Combined-Cycle Power Plant, under the Power Division. This tender marks the national programme's initial rollout phase, with project completion scheduled for February 2026. In line with the broader implementation plan, the overall programme timeline has been revised to mid-2026, allowing sufficient time for pilot installation, evaluation, and scale-up.

Renewable Energy Financing during July–September 2025: During July–September 2025, several key developments shaped Bangladesh's renewable energy financing landscape. The Single Digital Gateway (BanglaBiz), launched by the BIDA and JICA in September 2025, aims to streamline investment procedures and attract greater funding, including for renewable projects. The Infrastructure Development Company Limited (IDCOL) advanced efforts to introduce payment guarantee schemes with support from multilateral partners, intended to reduce financial risks and encourage commercial lending in renewable ventures. In parallel, IDCOL is also exploring green bonds and other innovative financing instruments to diversify funding sources and mobilise private capital for clean energy expansion. Meanwhile, the Centre for Policy Dialogue (CPD) emphasised that Bangladesh will require USD 35.2–42.6 billion between 2025 and 2040 to achieve 30 per cent renewable energy by 2040. CPD also underscored the need for long-term, transparent, and stable financial frameworks to support sustained renewable energy investment and transition.

7. Follow-up of previous quarter

The first quarter of FY2025-26 was a business as usual one with not much of a significant progress in renewable energy expansion. The over emphasis on the LNG import to keep the supply of fuel stable was the key focus of government throughout this quarter. Despite such efforts the supply of gas remains at the lowest level compared to the previous quarter. In addition to that, load shedding was a severe concern particularly in September. This quarter has continued the positive notion of reducing renewable energy-based project delays, the continued absence of new renewable power plant's approvals will further cause backtrack in energy transition.

Figure 8 demonstrates overall progress in the power and energy sector from the energy transition point of view. In a nutshell, it can be concluded that the overall progress towards energy transition during this quarter is marginal compared to the previous quarter (Figure 9).

Figure 8 Energy transition readiness assessment during Q1, FY2026

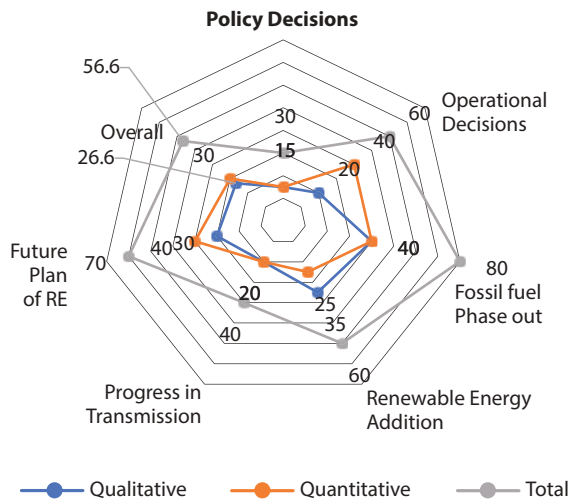
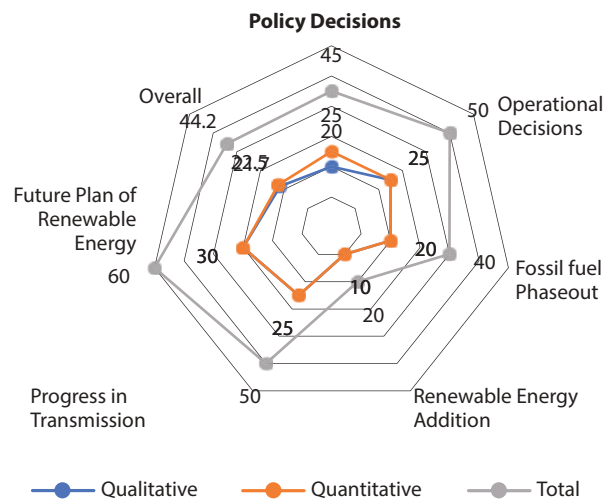


Figure 9 Energy transition readiness assessment during Q4, FY2025



Source: BPDB Daily Generation Report.

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CPD Power and Energy Publication During January-June 2025

1. Lights Out, Stress In: Assessing Stress Amidst Power and Energy Challenges in Bangladesh
2. Currents of Change [Brief-04] Quarterly Brief of the Power & Energy Sector of Bangladesh
3. Currents of Change [Brief-03] Quarterly Brief of the Power & Energy Sector of Bangladesh
4. Renewable Energy Policy (Draft) 2025: Major Observations and Recommendations