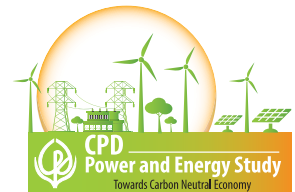


Currents of Change

Quarterly Brief of the Power & Energy Sector of Bangladesh

Volume 3, Brief No. 4
April-June 2026



Highlights

- The MoPEMR's proposed budget share fell to 1.85 per cent of the national total (down from 2.15 per cent), with 98 per cent allocations in generation going to fossil fuels versus only 2 per cent for renewables, and 11 renewable energy projects left unfunded.
- Even as the budget introduced its most comprehensive renewable fiscal package to date, incentives are undermined by continued fossil-fuel subsidies of BDR 37,000 crore.
- LNG supply commitment reduced as QatarEnergy lowered its 2026 cargo commitment by half following damage to its Ras Laffan facility, forcing Bangladesh to pursue short-term deals with nine alternative suppliers.
- Energy prices increased significantly, with a 16.68 per cent rise in the weighted average electricity tariff in June 2026, alongside regular revision of LPG and petroleum fuel prices.
- Fuel loading at the RNPP 1 has been done during this quarter.
- Load shedding surged sharply amid summer demand, rising from just 386 MW last quarter to 23,239 MW in April 2026, dipping in May, then climbing again to 27,589 MW in June 2026, driven by lack of fuel available to import fuels, plant maintenance, and a severe heatwave.
- Bangladesh Bank's recent refinancing package includes BDT 1,000 crore dedicated to green industries, signaling a renewed policy emphasis on mobilising concessional finance for low-carbon industrial investment.

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1. BACKGROUND

The fourth quarter (Q4) of FY2026 (April-June 2026) has been a challenging period for Bangladesh's power and energy sector, marked by continuing global fuel market uncertainty, domestic supply-side pressures, and important fiscal policy developments. Building on the previous quarter's crisis response to the Israel-US-Iran conflict-induced oil shock, the government's focus during this quarter gradually shifted towards strengthening long-term energy security through pricing reforms, fuel supply diversification, and domestic energy development. The national budget for FY2026–27 was placed on 11 June 2026, introducing supportive fiscal measures for solar energy, electric vehicles, and energy storage; however, renewable energy continued to receive limited investment compared to fossil fuel-based projects. During this period, several fuel price adjustments were undertaken, reflecting ongoing fluctuations in international energy markets, which further exacerbated, when a key LNG supplier signalled it could deliver only about half of its contracted cargoes after regional infrastructure damage. To ensure continuity, the government approved additional imports of refined petroleum products and LNG cargoes, while also improving procurement efficiency through shorter tender timelines and enhanced fuel storage initiatives.

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; and (v) remarks on the overall health of the power and energy sector during this quarter.

2. MAJOR DECISIONS TAKEN DURING APRIL – JUNE 2026

Policy Decisions: During Q4 of FY2026 (April to June 2026), policy decisions in Bangladesh's energy and power sector continued to be influenced by global fuel market uncertainty, although the government's focus gradually shifted from immediate crisis response towards highlighting energy security through pricing reforms, fuel supply diversification, and domestic energy development. Compared

Figure 1 Government and Government Relevant Authorities' Action Focus Point During January to March 2026

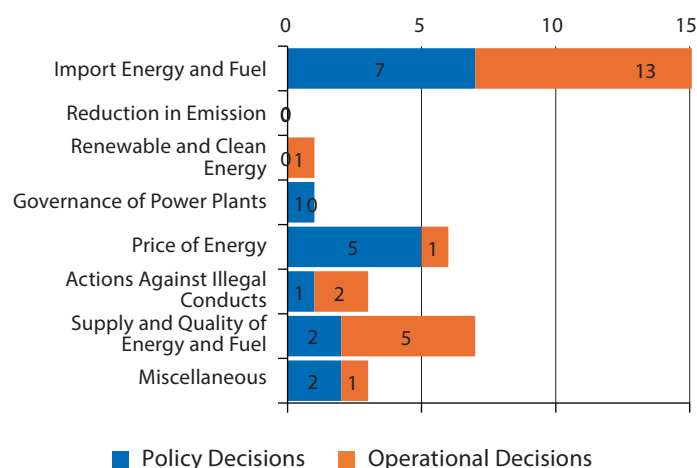
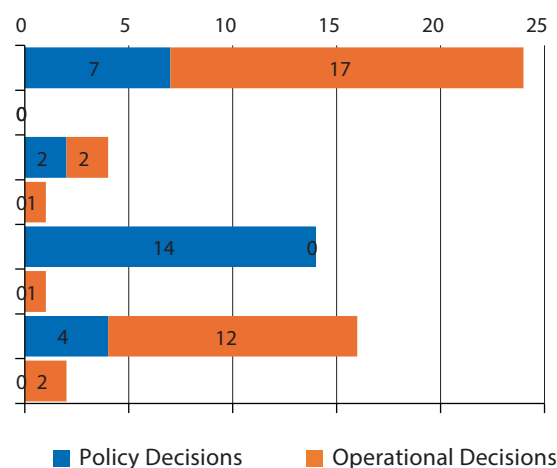


Figure 2 Government and Government Relevant Authorities' Action Focus Point During April to June 2026



Source: Authors' compilation of various newspapers and relevant government websites.

to the previous quarter, policy attention remained concentrated on energy imports and pricing, while greater emphasis was placed on domestic resource development, renewable energy expansion, and improving fuel supply governance (Figure 1 & 2). At the same time, repeated tariff revisions and procurement reforms reflected continued efforts to manage fiscal pressures arising from higher energy import costs.

Energy pricing remained the most active area during this quarter. LPG prices were revised four separate times, rising sharply through April before being held steady in May and finally easing in June, while jet fuel underwent repeated hikes and cuts within the same month on several occasions, reflecting the sector's sensitivity to fluctuating international oil markets. Furnace oil prices rose twice in quick succession before being reduced toward the end of the quarter, and retail prices for octane, diesel, petrol and kerosene were raised in April amid mounting global market pressures linked to escalating Middle East tensions, with a further partial hike to octane, petrol and kerosene in June. To secure adequate supply amid these disruptions, the government expanded diesel and octane procurement through direct purchase and approved four separate proposals for importing refined petroleum products worth over BDT 17,000 crore to meet demand through the June-August period. On the electricity front, the government approved tariff-based power purchase agreements with NWPGL and, more consequentially, raised the weighted average retail electricity tariff by 16.68 per cent in June, a move intended to ease the sector's mounting

subsidy burden. LNG procurement continued steadily through two separate cargo purchase approvals in May and June to safeguard energy supply continuity. In terms of sector governance, the government signaled its intent to review and potentially renegotiate the power purchase agreement with Adani Power, approved the Offshore Model Production Sharing Contract (PSC) 2026 to accelerate domestic oil and gas exploration, streamlined fuel import tender timelines from 42 to 10 days to improve procurement efficiency, and supported BPC's plans to expand fuel storage and handling infrastructure. The renewable energy agenda also gained visible momentum, with the initiation of the 442-megawatt Rampal solar power plant will set to become the country's largest, alongside the announcement of a five-year target to generate 5,000 megawatts through solar capacity. Additionally, the pilot launch of the QR code-based 'Fuel Pass' app aimed to enhance transparency and efficiency in fuel distribution, while the government also considered retaining existing fuel import taxes and duties as a measure to help stabilise domestic market prices.

Operational Decisions: During Q4 of FY2026 (April to June 2026), operational decisions in Bangladesh's energy and power sector reflected a shift from emergency response related activities. Compared to the previous quarter, operational activities were less focused on demand control and market enforcement and more on ensuring uninterrupted fuel and electricity supply through continuous imports, infrastructure development, and system reliability measures.

Fuel supply management remained the dominant operational priority throughout the quarter. The government maintained uninterrupted imports of diesel, octane, jet fuel, and LNG from multiple sources, including the UAE, Kazakhstan, Oman, Nigeria, Malaysia, Singapore, China, India, Angola, and South Korea, reducing dependence on traditional suppliers amid continued geopolitical uncertainty. Large volumes of refined petroleum products were received through Chattogram Port and the Bangladesh–India Friendship Pipeline, while additional LNG cargoes were delivered to the Floating Storage and Regasification Units (FSRUs) to support domestic gas supply. Despite these efforts, operational challenges persisted, including the risk of temporary shutdown of the Eastern Refinery due to delays in crude oil imports and temporary gas supply disruptions caused by FSRU outages and pipeline relocation works.

Operational efforts are also focused on improving domestic energy production. Drilling commenced at Bangladesh's first deep exploratory well at the Titas Gas Field, while Bangladesh

Gas Fields Company Limited initiated another deep exploration programme in Brahmanbaria to increase indigenous gas production. At the same time, the government launched the Offshore Bidding Round 2026 covering 26 offshore blocks, marking the operational rollout of its offshore exploration strategy. In the renewable energy segment, the Bangladesh Power Development Board (BPDB) invited international bids for 495 MW of grid-connected solar projects, while the government reviewed previously cancelled renewable energy projects to accelerate clean energy deployment.

Power sector operations during the quarter focused on maintaining generation reliability and expanding future capacity. Electricity generation reached a record 17,200 MW, and Unit-2 of the Adani power plant resumed operation following technical repairs. Fuel loading at the Rooppur Nuclear Power Plant (RNPP) Unit 1 has been done during this quarter. Operational coordination was further observed in case of formation of a high-level cabinet committee to oversee the fuel

Impression on Power and Energy in the National Budget 2026-27: The national budget for FY2027 has been announced on 11 June 2026 and has been approved by the parliament on 30 June 2026. The Ministry of Power, Energy and Mineral Resources (MoPEMR) received a significant allocation of BDT 17,345 crore in BFY27, equivalent to 1.85 per cent of the total national budget, a decline from its 2.15 per cent share in the previous fiscal. Within this, the Power Division was allocated BDT 14,996 crore, representing a 3.9 per cent decrease from RFY26. However, its ADP allocation rose by 18.7 per cent over the same period, even as the number of active projects fell from 45 to 35. The Energy Division, by contrast, recorded a substantial 72 per cent increase in allocation to BDT 2,349 crore, driven primarily by a 76 per cent rise in development budget allocation compared to RFY26. Its ADP allocation similarly grew by 52.8 per cent, accompanied by an increase in the number of projects from 17 to 19.

On the Renewable Energy (RE) front, the picture remains less encouraging. A total of five RE-related projects were allocated in BFY27, three under the Power Division and two under the Energy Division, with the notable concern that no new solar-related utility project was added to ADP 27. Furthermore, 11 RE projects failed to receive allocation this year, comprising three grid modernisation projects, seven solar projects (together representing 640MW of capacity), and one Battery Energy Storage System (BESS) project with a capacity of 25MWh. This disparity is starkly reflected at the sectoral level, where fossil fuel projects account for 98 per cent of total generation-sector allocations, compared to just 2 per cent for renewable energy. Continued fiscal support for fossil fuels, including BDT 37,000 crore in electricity subsidies and preferential tax treatment for LNG and coal, further undermines renewable energy efforts. Despite these structural imbalances, the budget introduces several commendable fiscal measures. Annual income tax on Electric Vehicles (EVs) has been substantially reduced from a flat BDT 2 lakh to BDT 25,000, 50,000, 75,000, and 100,000 for power capacities of 200kW, 300kW, 400kW, and above 400kW, respectively. Import duties on EV charging equipment have been eliminated entirely, falling from 39.75 per cent to 0 per cent, a highly commendable step towards accelerating EV charging infrastructure development. To further support EV adoption, import duties on EVs priced at USD 25,000 and USD 50,000 have been reduced from 93 per cent to 64 per cent and 80 per cent, respectively, while import duties on Internal Combustion Engine (ICE) vehicles have been increased by up to 23.52 per cent to discourage their continued use and support the transition towards cleaner transportation. Notably, the proposed budget favours solar-based electricity generation for the first time, proposing a zero per cent tax rate on the solar power sector until 2035, a 5 per cent tax rebate for consumers on solar electricity bill payments, and the elimination of import duty, regulatory duty, supplementary duty, and advance tax on essential solar power components, effective through 30 June 2031. In addition, the Total Tax Incidence (TTI) on lithium-ion batteries is proposed to be reduced substantially from 61.8 per cent to 26.3 per cent in BFY2026-27, aiming to improve the affordability of energy storage technologies and support the wider deployment of renewable energy systems.

and electricity sector, while external financial support, including USD 350 million from the World Bank, was secured to reinforce LNG imports and broader energy security initiatives.

3. GENERATION, TRANSMISSION AND DISTRIBUTION OF THE POWER SECTOR DURING APRIL-JUNE 2026

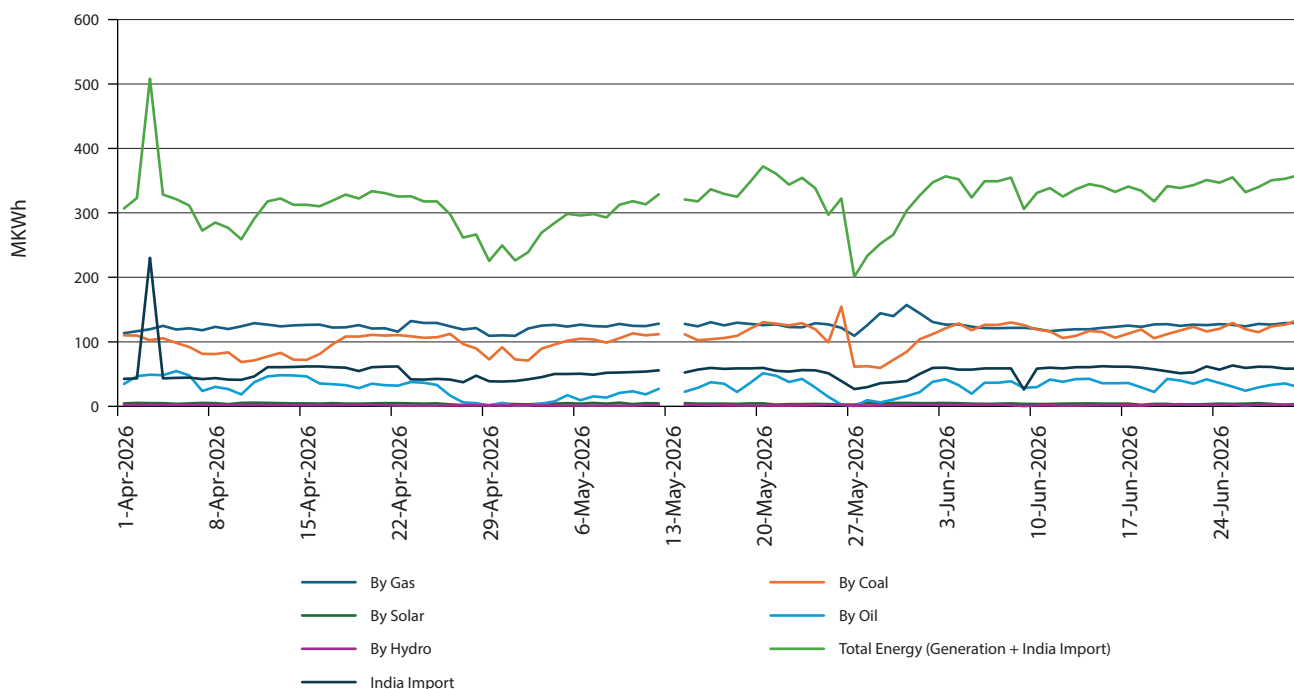
Generation: During this quarter, Bangladesh's total installed power generation capacity reached 33,092 MW, including both on-grid and off-grid sources. According to the BPDB data, the highest daily energy generation of 508.29 MkWh was recorded on 3 April 2026. However, this figure included 230.55 MkWh of imported electricity from India, which appears unusually high compared to historical import levels and may reflect a data entry or reporting error. Excluding this outlier, the highest daily energy generation during the quarter was 372.24 MkWh, recorded on 20 May 2026. In contrast, the lowest daily energy generation of 201.12 MkWh was observed on 27 May 2026. (Figure 3).

Fuel use has surged nationwide since the end of winter season. As usual, gas-based electricity generation was a somewhat consistent source, as the cost of electricity generation from

domestic gas is still the lowest. The fluctuations in coal- and oil-based electricity generation during April–June 2026 were largely attributable to fuel supply constraints, maintenance outages, and variations in electricity demand. Coal-fired generation declined periodically due to maintenance activities at Barapukuria and Rampal power plants, as well as coal shortages at some facilities. Oil-based generation also varied considerably, as furnace oil and diesel-fired plants were primarily used as peaking and backup units, operating more intensively during periods of high demand and generation shortfalls while remaining largely idle during lower-demand periods to minimise generation costs.

During April–June 2026, Bangladesh experienced a significant rise in fossil-fuel-based power generation costs (Figure 4). Figure 5 illustrates the daily per-unit cost for electricity generation for this quarter. Furnace oil prices increased from BDT 70.1 per litre to BDT 113.5 per litre in May before a marginal correction to BDT 109.1 per litre at the end of June, substantially raising the variable cost of oil-fired generation. Coal-based generation also faced upward cost pressure due to elevated international fuel prices, freight costs, and exchange-rate volatility. On the other hand, despite natural gas maintaining the lowest per-unit cost among all fuels, its utilisation in power generation has been suboptimal as the supply of gas has declined in recent years.

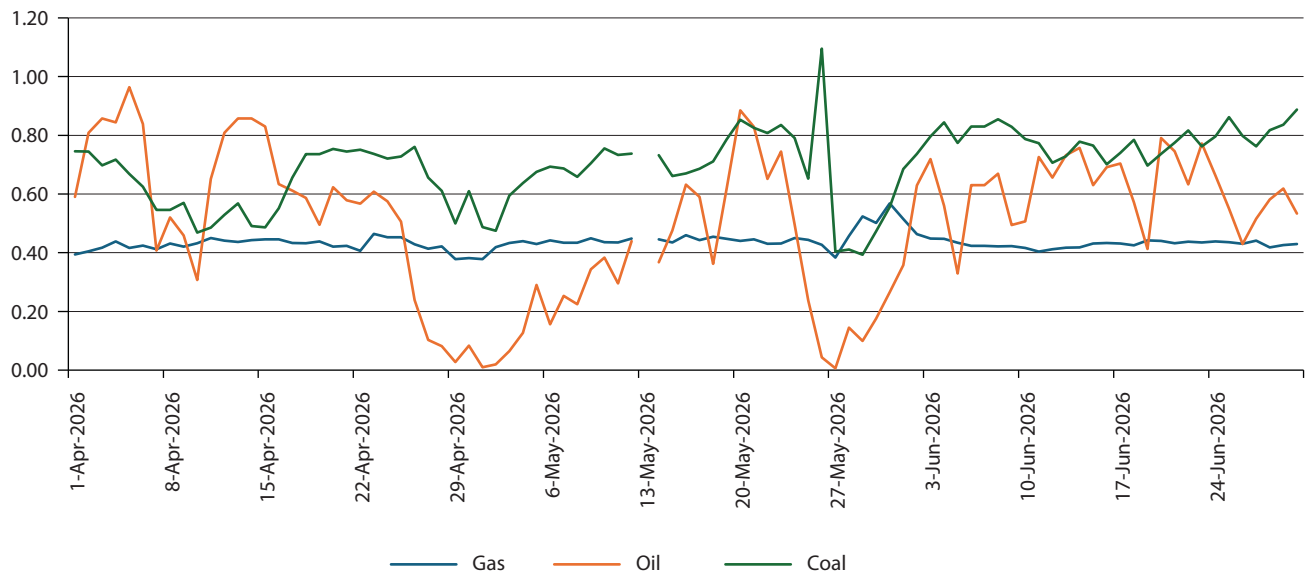
Figure 3 Per Day Energy Generation by Different Fuel (MKWh)



Source: BPDB Daily Generation Report.

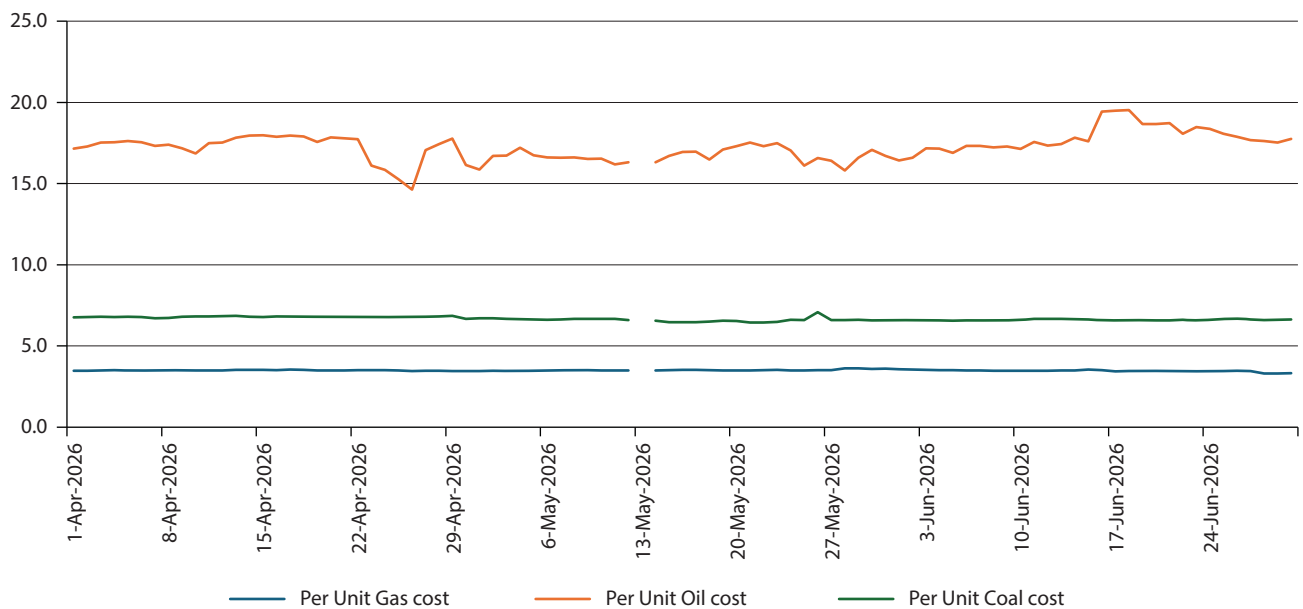
Note: No BPDB summary report was available for 13 May 2026; therefore, a data gap appears in the graph for that date.

Figure 4 Fuel Cost (Billions BDT)



Source: BPDB Daily Generation Report.

Figure 5 Per Unit Fuel Cost (BDT/Unit)



Source: Authors' calculation from BPDB Daily Generation Report

Table 1 Progress in Transmission-Distribution System

Indicators	Start of Q3 (Jan'26)	End of Q3 (Feb'26)	Change in %
Transmission lines (Circuit Km)	17,995	18,816	4.56
Distribution lines (Km)	657,266	660,327	0.47
Grid sub-station capacity (MVA)	89,155	91,512	2.64

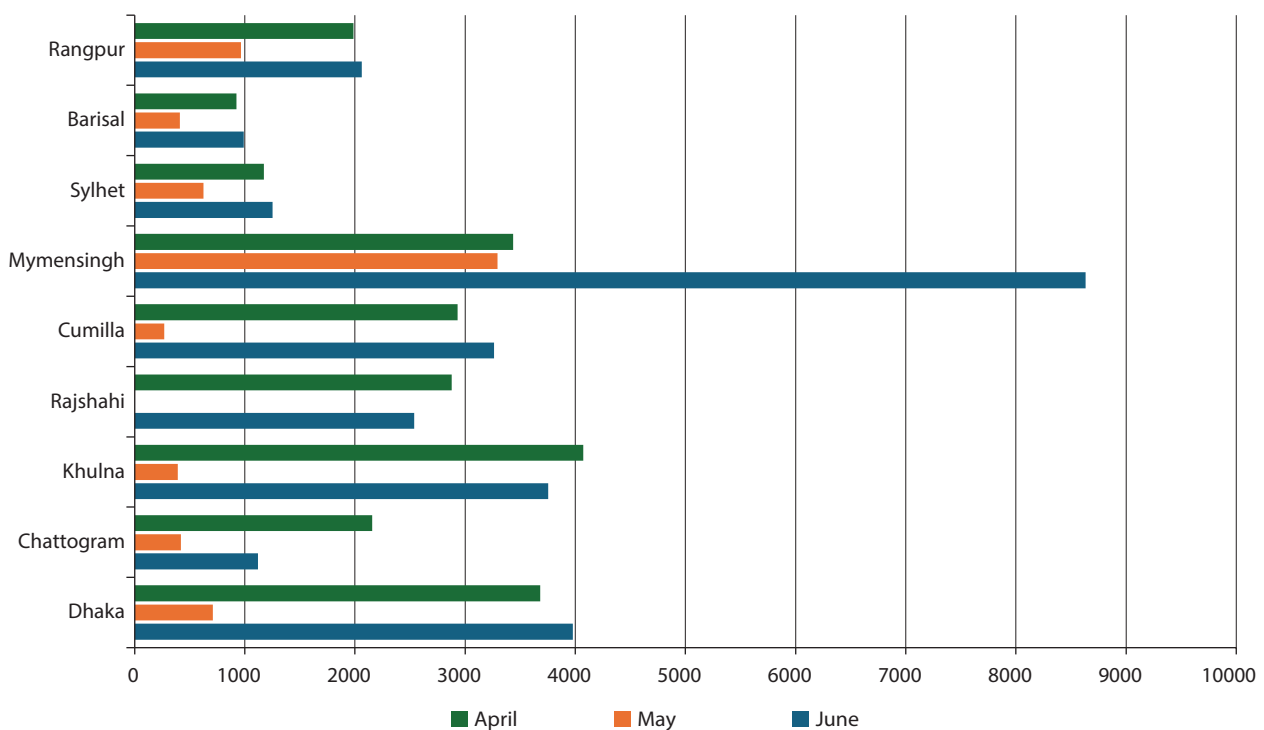
Source: BPDB.

Transmission and Distribution: During the current quarter, Bangladesh's transmission network stood at 17,995 circuit kilometres, while distribution lines covered 657,266 kilometres, with grid substation capacity at 89,155 Mega Volt Ampere (MVA) at the start of the period (Table 1). By the end of May, transmission lines had extended to 18,816 circuit kilometres, while distribution line coverage grew to 660,327 kilometres. Grid substation capacity rose to 91,512 MVA by the end of May. Over this period, transmission lines expanded by 4.56 per cent, distribution lines grew by 0.47 per cent, and grid substation capacity increased significantly by 2.64 per cent.

Load Shedding: With the onset of summer, load shedding in Bangladesh increased sharply, rising from 386 MW in the

previous quarter to 23,239 MW in April 2026. Although it declined in May 2026, it surged again to 27,589 MW in June 2026, reflecting growing pressure on the power system during the peak summer season (Figure 6).

The increase in load shedding during April–June 2026 was driven not only by higher summer demand but also by supply-side constraints. These included coal shortages at the Payra Thermal Power Plant, maintenance work at Rampal Power Plant, operational disruptions at Barapukuria Thermal Power Plant, and maintenance and fuel-supply constraints at several gas-fired power stations, which collectively reduced available generation capacity. These supply-side challenges coincided with a severe heatwave that sharply increased demand for electricity. As a

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

Source: BPBD Daily Generation Archive.

result, power generation frequently fell short of demand, leading to load shedding that exceeded 2,000 MW during peak periods in April 2026. Rural areas were disproportionately affected as distribution companies prioritised supplying electricity to major urban and industrial centres.

Although demand temporarily declined during periods of rainfall and the Eid holidays in May 2026, concerns about renewed load shedding persisted in June 2026 due to continuing fuel constraints and rising temperatures (Figure 6). For example, on 23 April 2026, electricity demand reached approximately 18,000 MW, while generation remained around 15,000 MW because of inadequate gas supply and operational constraints at several power plants, creating a substantial supply gap that necessitated widespread load shedding. This situation underscored the country's continued dependence on imported fuels and the vulnerability of the power sector to fuel supply disruptions and seasonal demand fluctuations.

On top of the demand and supply gap, load-shedding has increased due to the tripping and outage of transmission and distribution. Figure 7 summarises the monthly outage durations due to emergency and scheduled maintenance during March

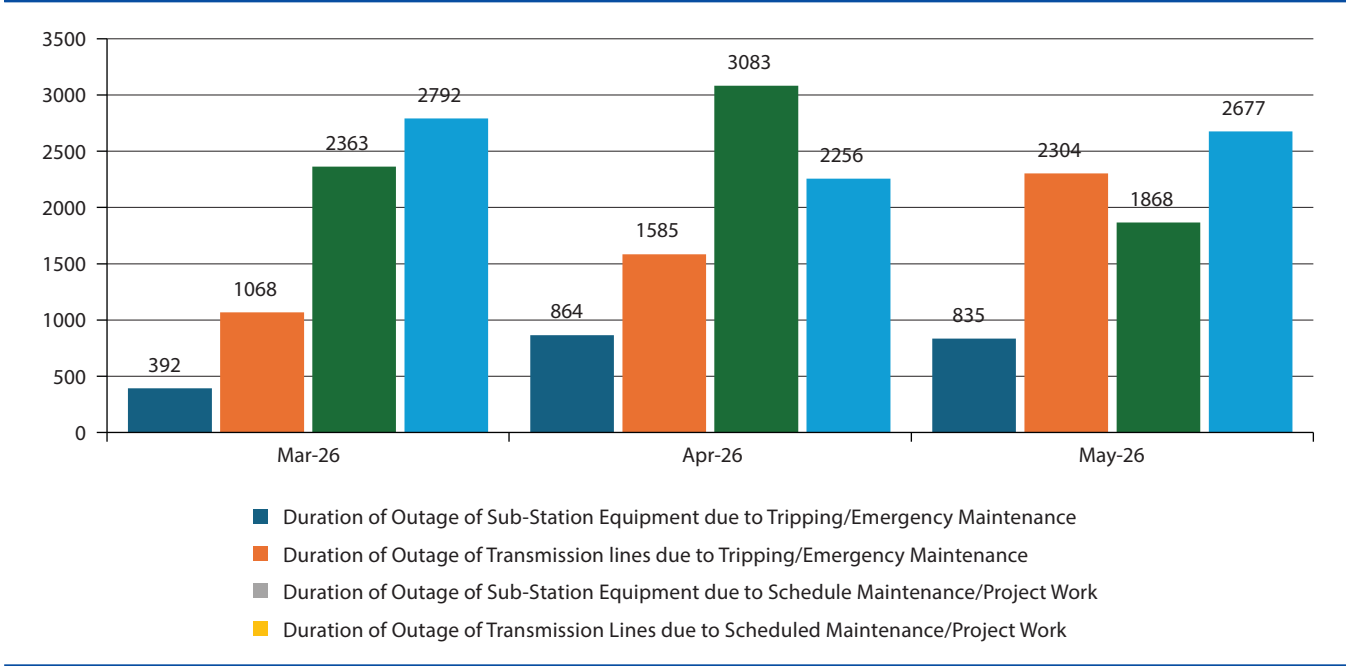
2026 to May 2026. Several transmission disturbances were reported on major grid infrastructure, including the Ghorasal-Ishwardi 230 kV and Kabirpur-Tongi 132 kV transmission lines, as well as at the Barisal and Maniknagar grid substations. These technical disruptions, combined with generation shortages, contributed to electricity supply interruptions across the country, with rural areas experiencing more frequent outages than major urban centres.

Figure 8 represents the monthly load-shedding pattern at the sub-station end from March 2026 to May 2026. On 22 April, the highest load shedding at evening peak was recorded in Bangladesh, which dropped again in May 2026 due to continued rainfall and Eid holidays. Even though in April and May, the number of load shedding days is similar, the power shortage scenario between these two months is anything but close.

Fossil Fuel Phaseout and New IPPs

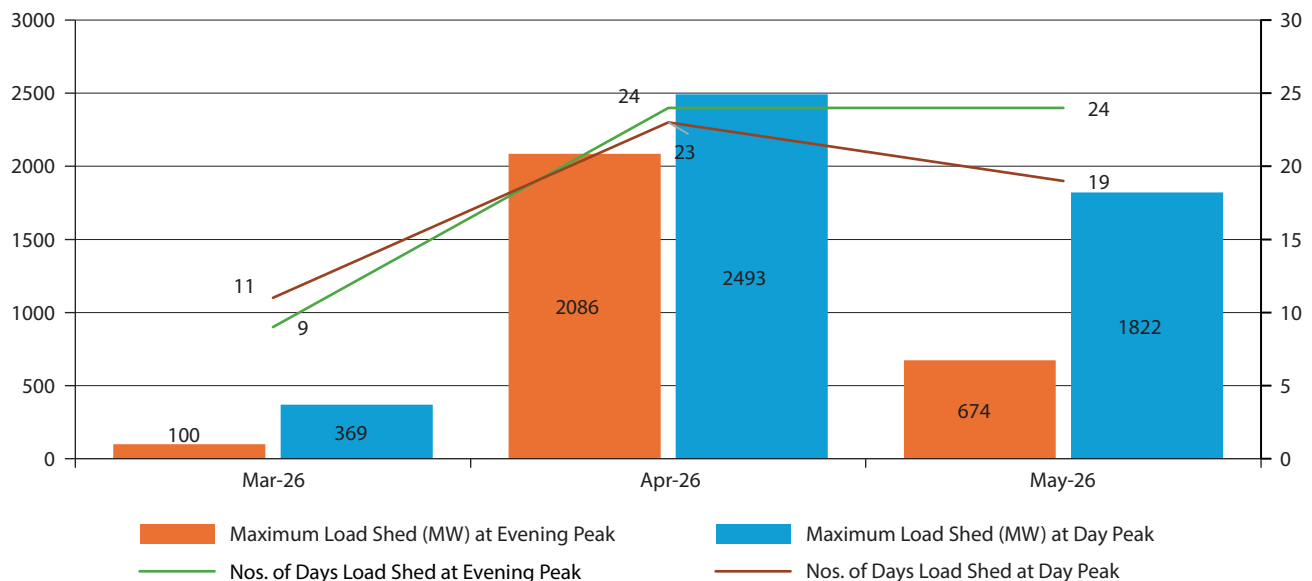
During this quarter, no IPPs were commissioned or decommissioned, except for a 20 MW solar power plant in Muktagacha, Mymensingh, which became operational in May 2026.

Figure 7 Summary of Monthly Tripping and Outage (EMERGENCY & SCHEDULED)



Source: PGCB Operation Monthly Reports.

Figure 8 Monthly Load Shedding Pattern (Sub-station end)



Source: PGCB Operation Monthly Reports.

4. DEMAND, SUPPLY & EXPLORATION IN THE ENERGY SECTOR DURING APRIL–JUNE 2026

Gas Demand and Supply: During April–June 2026, total gas supply (domestic gas plus R-LNG) moved through three phases: (a) a relatively stable opening month. (b) a build-up to the quarter's strongest supply levels through May, and (c) a sharp late-May-to-early-June collapse followed by a steady recovery into late June (Figure 9). Total supply began the quarter at around 2,526 mmcf on 1 April, with LNG contributing roughly 32.5 per cent of the mix, and strengthened through the month, with the LNG share edging up to 37 per cent by late April 2026.

This upward trajectory continued into May 2026, when total supply peaked at close to 2,759 mmcf around 13 May 2026 with LNG regularly contributing 38–39 per cent of the mix, the highest sustained share recorded all quarter to that point.

The final days of May 2026 brought the quarter's sharpest disruption. Between 27 May and 2 June 2026, both LNG and domestic gas supply fell in tandem, dragging total supply down to a low of roughly 2,065 mmcf on 31 May 2026, with the LNG share collapsing to just 21.7 per cent on 1 June, the lowest share recorded during the quarter, against total supply of

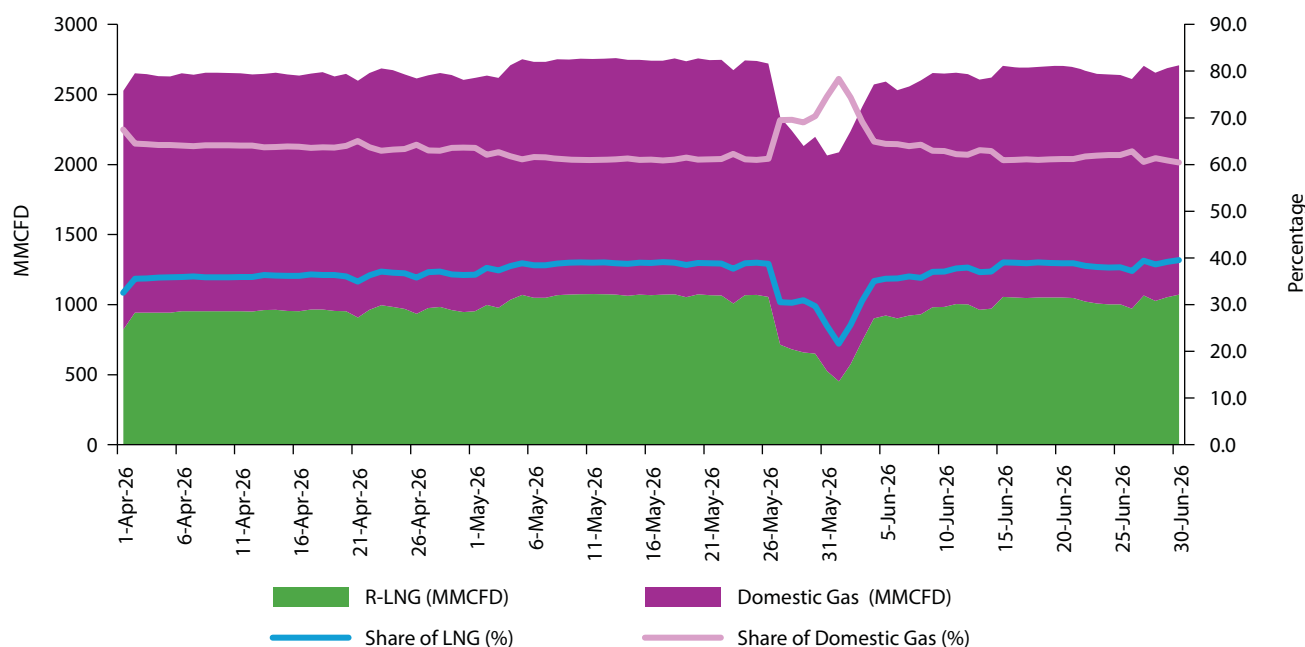
around 2,088 mmcf. Domestic gas also hit its quarterly low of 1,471 mmcf on 29 May 2026, indicating a broader supply-side constraint rather than an LNG-only shortfall.

Recovery began in the first week of June 2026, with total supply climbing back above 2,570 mmcf by 4 June 2026. Supply strengthened steadily throughout the rest of the month, and by 30 June 2026, LNG's share of total gas supply reached its quarterly high of 39.5 per cent, with total supply recovering to around 2,709 mmcf.

Gas Exploration: Domestic exploration activity this quarter was dominated by forward planning rather than new discoveries reaching the grid. In a parliamentary session on 22 June 2026, the Minister for MoPEMR outlined a medium-term (2026–2028) programme to complete 59 well-related activities, comprising 41 new wells and 18 workovers, alongside plans for BAPEx to procure a 1,500-horsepower rig and acquire 1,500 line-kilometres of 2D seismic data and 1,660 square kilometres of 3D seismic surveys across Bhola, Monpura and the Hatiya Transition Zone.

Offshore exploration saw its first concrete movement in years: the government finalised the Bangladesh Offshore Model PSC 2026 with more internationally competitive terms and launched a bidding round on 24 May 2026 for 26 offshore blocks in the Bay of Bengal. Companies were able to begin purchasing tender

Figure 9 Domestic Gas and LNG Supply



Source: Petrobangla Daily Gas Data.

documents and seismic data from 1 June 2026. A draft Onshore Model PSC 2026 for plain-land areas was also prepared and remains pending approval.

Overall, the quarter reflects a shift towards structured multi-year planning rather than incremental well-by-well progress, though none of these initiatives—the offshore round included—will materially affect domestic gas supply in the near term.

LNG Import: The defining development of the quarter was a structural escalation in Bangladesh's LNG supply risk, layered on top of continued price and subsidy pressure. The government's quarterly import plan envisaged 30 LNG shipments, including at least 24 spot cargoes averaging around USD 19 per MMBtu.

The RPGCL imported 9 LNG cargoes in April 2026 (eight spots, one under long-term contract with QatarEnergy), with 11 secured for May, and spot cargo buys hit seven in a single month in both April and May 2026.

The defining development of the quarter came in June 2026, when QatarEnergy told Bangladesh it could deliver only about half of its 40 contracted 2026 cargoes — potentially for three to five years — after Iranian strikes damaged liquefaction

infrastructure at its Ras Laffan facility. Other contracted suppliers, OQ Trading and Excelerate, also continued citing force majeure over their inability to load from Ras Laffan. Some de-escalation followed: the Strait of Hormuz, closed since late February 2026, reopened in mid-June under a US–Iran ceasefire framework, though Iranian toll demands and safety concerns still complicate passage. In response, Bangladesh began pursuing short-term supply deals with Australia, Brunei, Indonesia, Malaysia, Azerbaijan, Kazakhstan, Angola, Nigeria and Algeria, while the World Bank expanded financing support, including a payment-guarantee-backed facility to help Petrobangla secure letters of credit for LNG imports.

5. RENEWABLE ENERGY DEVELOPMENT DURING APRIL-JUNE 2026

a) Progress of Renewable Energy During April-June 2026

During the April–June 2026 quarter, progress in renewable energy projects showed limited improvement despite continued project approvals (Table 2). According to the BPDB data, one renewable energy project: the 20 MW Solar Park at Muktagacha

Table 2 Progress Status of Renewable-Based Power Plants Scheduled to Operate Commercially in 2026 (April - June 2026)

Progress Status	Number of Power Plants in Q1 of FY26	Number of Power Plants in Q2 of FY26	Number of Power Plants in Q3 of FY26
Fully Operational on Time	0	0	1
Fully Operational but Delayed	0	0	0
Partially Operational but on Time	0	0	0
Partially Operational but Delayed	0	1	0
Delayed	5	2	6
Construction Starts	8	0	0
Projects Approved	1	15	1

Source: Authors' calculation based on BPDB monthly reports (April – June 2026).

became fully operational on time in Q4 FY26, compared to no projects in the previous quarters. This marks the first scheduled on-time commercial operation since Q1 FY26 and reflects progress in project completion. However, the number of delayed projects increased from two to six during the quarter, indicating that implementation challenges continue to affect a significant number of renewable energy projects.

No projects were reported as fully operational but delayed or partially operational (on time or delayed) during the quarter. Although one renewable energy project: the 2 MW Madanganj Solar Power Plant was approved during the quarter, the majority of recently approved projects have yet to advance beyond preliminary implementation. BPDB reports indicate that around 22 projects remain under preliminary works, highlighting that physical implementation continues to lag project progress.

Overall, while the scheduled commercial operation of the 20 MW Muktagacha Solar Power Plant represents a positive development while project approvals continue, increasing project delays and the slow transition of approved projects into implementation remain key challenges to accelerating Bangladesh's renewable energy expansion.

b) Renewable Energy Financing During April-June 2026

During the April–June 2026 quarter, renewable energy financing in Bangladesh remained modest in terms of receiving foreign capital inflows and large-scale financial closures but recorded notable progress in strengthening domestic financing mechanisms and institutional frameworks. A major catalyst was the FY2026–27 national budget, which introduced comprehensive fiscal incentives designed to lower capital barriers and stimulate private investment. On the project front, the most prominent initiative was the proposed 442 MW

Rampal Solar Power Plant, requiring BDT 2,502.39 crore in public financing, predominantly through the Power Development Fund alongside BPDB's internal resources. Furthermore, a new financing model leveraging state-owned land was introduced when BPDB and BEZA signed a Memorandum of Understanding to develop the country's first 130–140 MW PPP-based solar project in Sonagazi.

Institutional financing initiatives also gained momentum during the quarter. Bangladesh Bank launched a Tk BDT 19,000 crore refinancing package for industrial transformation, allocating BDT 1,000 crore specifically for green industries and environmentally sustainable factory buildings at concessional interest rates. Meanwhile, the Bangladesh Energy Transition Fund launched a specialised climate finance platform aimed at mobilizing blended public and private capital for renewable energy, energy efficiency, and water treatment projects.

Overall, the quarter reflected greater emphasis on building domestic financing instruments and investment frameworks rather than securing major foreign capital funding. While these initiatives could improve the long-term bankability of renewable energy projects, translating them into sustained private and international investment will require stronger implementation, risk mitigation, and policy certainty.

6. FOLLOW-UP OF THE PREVIOUS QUARTER

The previous quarter (Q3 FY2026) was dominated by the fallout of the US-Israel-Iran war, which disrupted global fuel supply chains just as the newly elected government, BNP, was settling into office. That period was defined by emergency crisis response: diesel, octane and jet fuel imports were tried to diversify across multiple countries, oil rationing was introduced at petrol pumps,

the 'Fuel Pass' app was piloted, and LNG was purchased from the spot market to offset disrupted contracted supply, alongside a renewed emphasis on domestic gas exploration.

Several of these measures were carried out directly into this quarter. The Fuel Pass app, piloted in Q3 as an emergency transparency tool, saw its formal QR-code-based launch in this quarter. Domestic gas exploration, flagged as a priority in Q3, translated into concrete action this quarter with drilling commencing at Bangladesh's first deep exploratory well at the Titas Gas Field and a new medium-term (2026–2028) exploration programme. Fuel import diversification, initiated in Q3 as an emergency response, matured into a more structured, ongoing

procurement strategy spanning more than 10 countries by Q4. However, the vulnerability exposed in Q3 resurfaced with renewed force in Q4: June 2026 brought a fresh shock when Iranian strikes damaged key LNG liquefaction infrastructure, prompting a major supplier to warn it could deliver only half its contracted cargoes for the next three to five years.

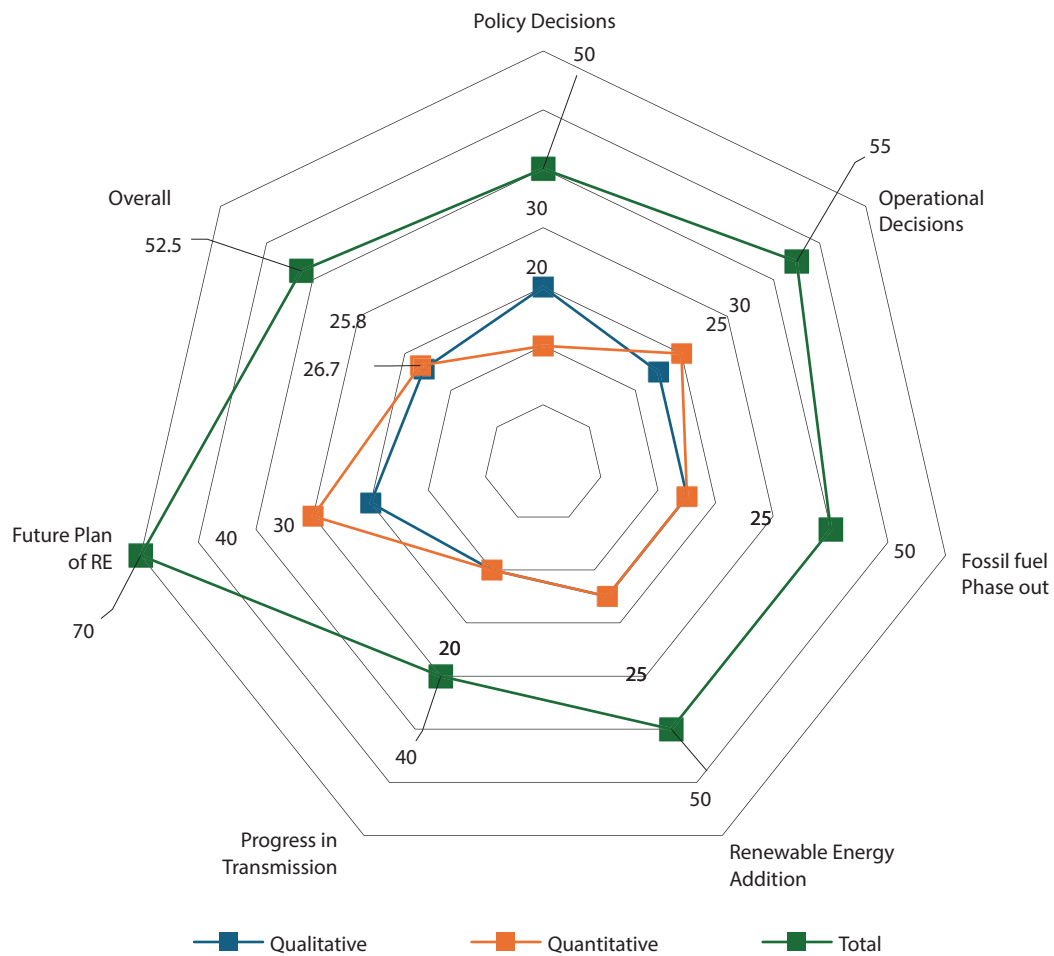
As illustrated in Figure 10, the sector's transition trajectory remains mixed. Despite the FY2026-27 budget's comprehensive renewable fiscal package, persistent fossil-fuel-dominated allocations and renewed LNG supply disruptions have further constrained transition momentum, leaving overall progress broadly comparable to the previous quarter (Figure 11).

Figure 10 Energy Transition Readiness Assessment During Q4, FY2026



Source: Authors' illustration.

Figure 11 Energy Transition Readiness Assessment During Q3, FY2026



Source: Authors' illustration.