

Government of People's Republic of Bangladesh  
**Ministry of Power Energy and Mineral Resources**

**Power Division**  
**Development-1 Section**

**Notification**

Date: 21 September 2025

**No. 27.00.0000.071.99.009.24.783**—Pursuant to the instruction of the Government, it is hereby Notified for general information that the Government has approved "Policy for Enhancement of Private Participation in the Renewable Energy-based Power Generation, 2025" The approved policy is hereby published as part of this notification.

2. "Policy for Enhancement of Private Participation in the Renewable Energy-based Power Generation, 2025" shall come into effect immediately.

**MOHAMMAD SOLAIMAN**

Deputy Secretary.

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**Preamble****WHEREAS:—**

- A. As the demand for electricity has been increasing along with the country's development trajectory, GoB is keen to increase private sector participation in the power sector through commercially viable power generation projects and sustainable tariff structure, and to this end had earlier adopted Private Sector Power Generation Policy of Bangladesh, 1996 (revised in 2004), Policy Guidelines for Enhancement of Private Participation in the Power Sector, 2008 and Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, 2010 (amended 2021 and now repealed)"
- B. Following a public interest litigation No.10378/2024, the High Court Division of the Supreme Court of Bangladesh has repealed sections 6(2) and 9 of the Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, 2010 (the "Act") and subsequently, the said Act has been repealed by an Ordinance of the Government of Bangladesh ("GoB") No.15 dated 28 November 2024 , thereby ending the provision for procurement of power by GoB from the private sector through unsolicited proposals.
- C. Tariffs agreed upon by the GoB from Independent Power Producers ("IPP") under the Act (now repealed) is unsustainable due to increasing requirement of subsidy from GoB and GoB intends to phase-out such subsidy gradually.
- D. GoB is keen to enhance competition in generation, transmission and distribution of power for increasing efficiency and giving better services to the consumers.
- E. As the requirement for reducing carbon footprint of consumer products, especially in the garments and textiles sector, is increasing from international buyers and local export-oriented industries have to comply with such requirement to remain in the business by using green energy from reliable sources at competitive tariff.
- F. GoB is committed for gradual shifting of conventional fossil fuels to clean and renewable energy sources and promoting the use of energy efficient technologies for generating power.
- G. To harness the potential of the renewable energy-based power generation and promote relevant technologies in Bangladesh, the Renewable Energy Policy, 2025 has been promulgated; and

- H. It is necessary and expedient to adopt another Policy having more advanced attributes covering comprehensive details for increasing private participation and competition in the power sector through implementation of Merchant Power Plants beside Private Sector Power Generation Policy of Bangladesh, 1996 (revised in 2004) and Policy Guidelines for Enhancement to supplement the Private Participation in the Power Sector, 2008.”

NOW THEREFORE, The Policy for Enhancement of Private Participation in the Power Sector through Implementation of Merchant Power Plants, 2025 is hereby adopted by the GoB, which shall come into effect from the date of publication in the official gazette.

**Objectives:**

GoB desires to increase private participation in the power sector, harness clean and renewable energy sources, reduce reliance on fossil fuels for power generation, promote the use of energy-efficient technologies, increase competition among the service providers, and ensure conservation of the country’s declining natural resources. The GoB is also keen to involve local and international private sector participants to:

- (1) set up Merchant Power Plants to supply electricity and/or make available their generation and/or storage capacity to Large Consumers or Bulk Power Consumers on mutually negotiated tariffs; and
- (2) Use transmission and distribution networks of Power Grid Bangladesh PLC (Power Grid) and other Distribution Licensees on a non-discriminatory basis for wheeling of power produced in their existing as well as new Merchant Power Plants.

**Part I.**

**Definitions**

**1. Definitions**

- (a) Unless the context otherwise requires:
- i. “Bangladesh Economic Zone Authority” or “**BEZA**” means an authority established by GoB under the Bangladesh Economic Zones Act, 2010.
  - ii. “BERC” means Bangladesh Energy Regulatory Commission established under the Bangladesh Energy Regulatory Commission Act, 2003.

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- iii. “BPDB” means Bangladesh Power Development Board established under Bangladesh Water and Power Development Boards Order, 1972 (P.O. No. 59 of 1972).
  - iv. “Bulk Power Consumer” refers to the definition given to it in section 2.1 of the Bangladesh Energy Regulatory Commission (Electricity Grid Code) Regulations, 2023.
  - v. “Bulk Tariff” means the charges for, and terms of, wholesale supply of electricity to a Distribution Licensee under wholesale trading arrangements as determined by BERC from time to time.
  - vi. “**Captive Power Plants**” means the power plants as defined in the Policy Guidelines for Power Purchase from Captive Power Plant, 2007.
  - vii. “**Department of Environment**” means a department of the Ministry of Environment, Forest and Climate Change, established under Bangladesh Environment Conservation Act, 1995.
  - viii. “**Distribution Licensee**” means any power distribution entity that has obtained necessary license from BERC under the Bangladesh Energy Regulatory Commission Act, 2003 to distribute electricity.
  - ix. “**Electricity Grid Code Regulations**” means Bangladesh Energy Regulatory Commission (Electricity Grid Code) Regulations, 2023.
  - x. “**Export Processing Zones**” means specified zones as defined and regulated under Bangladesh Export Processing Zone Authority Act, 1980.
  - xi. “**Foreign Private Investor**” means a person who is not a citizen of Bangladesh, or a company incorporated outside Bangladesh that makes investment of foreign capital in Bangladesh but does not include a foreign Government or an agency of foreign Government.
  - xii. “**Generation Licensee**” means any power generation entity that has obtained necessary license from the BERC under the Bangladesh Energy Regulatory Commission Act, 2003 to generate electricity.
  - xiii. “**Grid Code**” refers to the description given to it in section 1.1.2 and defined in section 2.1 of the Electricity Grid Code Regulations.

- xiv. **“Grid System”** means an integrated network for electricity generation, transmission, and distribution which primarily involves the Power Grid that operates the national grid with a focus on high-voltage transmission lines and grid substations ensuring a reliable power supply by managing the flow of electricity from generation sources to distribution networks and ultimately to consumers.
- xv. **“GoB”** For the purpose of this Policy, GoB means the Government of the People’s Republic of Bangladesh, represented by the Power Division of the Ministry of Power Energy and Mineral Resources.
- xvi. **“Industrial Estate/Park”** means Industrial Park, Industrial City, Individual Sector-wise Industrial Park, Handi Crafts Village and any other similar establishment as defined in section 2(17) of the Bangladesh Small and Cottage Industries Corporations Act, 2023.
- xvii. **“Independent Power Producer” or “IPPs”** means Independent Power Producers under Private Sector Power Generation Policy of Bangladesh, 1996 (revised in 2004).
- xviii. **“Joint Venture”** means Joint Venture established by private entities under the relevant laws of Bangladesh.
- xix. **“Large Consumers”** means consumers as defined in Annexure-I to these Guidelines.
- xx. **“Merchant Power Purchase Agreement” or “MPPA”** means contract or agreement executed between MPP and Large Consumers or Bulk Power Consumers for sale and purchase of electricity under this Policy.
- xxi. **“Merchant Power Plant” or “MPP”** means an MPP, installed as per the provisions mentioned in Part II and Part III of this Policy, that generates power using renewable energy sources such as solar, wind, geothermal, biomass, municipal waste and other clean and renewable energy sources as declared by GoB from time to time under the Renewable Energy Policy 2025. Any SPV, formed to install and/or operate an MPP, shall be considered as an MPP for the purpose of this Policy.
- xxii. **“National Load Dispatch Center” or “NLDC”** means Load Dispatch Center defined under Regulation 2.1 of the Bangladesh Energy Regulatory Commission (Electricity Grid Code) Regulations, 2023.

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- xxiii. **“Non-resident Bangladeshi Private Investors”** means Bangladeshi entrepreneurs including Non-resident Bangladeshis (as defined by the Bangladesh Investment Development Authority or Bangladesh Bank from time to time or any other Government authorities). Such investors may enter into joint venture agreement with foreign companies for implementation of MPP.
- xxiv. **“Open Access Tariff”** means the fees or charges, as determined by BERC, for evacuation of power from MPP to Large Consumers and/or PSU using the transmission and/or distribution lines of PSU under this Policy.
- xxv. **“Power Grid”** means Power Grid Bangladesh PLC, incorporated under the Companies Act, 1994.
- xxvi. **“Power Purchase Agreement”** or **“PPA”** refers to an agreement executed between Public Sector Power Utilities and MPP established under this Policy for sale and purchase of power.
- xxvii. **“Private Economic Zones”** means specified zones established under the provisions of Bangladesh Private Economic Zones Act, 1996.
- xxviii. **“Private Investors”** includes Bangladeshi Private Investors and Foreign Private Investors and joint venture comprising Bangladeshi Private Investors and Foreign Private Investors under this Policy.
- xxix. **“PSPGP”** means Private Sector Power Generation Policy, 1996 (as revised in 2004).
- xxx. **“Public Private Partnership”** or **“PPP”** refers to the definition provided in section 2(27) of the Public-Private Partnership Act, 2015 of Bangladesh.
- xxxi. **“Public Sector Utilities”** or **“PSU”** include BPDB, Rural Electrification Board, Dhaka Power Distribution Company Ltd., Dhaka Electric Supply Company Limited, Power Grid Bangladesh PLC, West Zone Power Distribution Company Ltd., Northern Electricity Supply Company Ltd. (NESCO), and other such authorities, companies formed and successor thereof as well as any other bodies involved in transmission and distribution of power in which GoB ownership is more than 50% (fifty percent).

- xxxii. “**Service Level Agreement**” or “**SLA**” means the agreement to be signed among the MPP, Power Grid and BPDB under Clause 2(j) of this Policy.
- xxxiii. “**SOE**” or “**State Owned Enterprises**” for the purpose of this Policy means commercial entities wholly or partially owned and controlled by the Government other than those under the Power Division.
- xxxiv. “**Special Economic Zones**” means economic zones, as defined by the GoB from time to time.
- xxxv. “**Special Purpose Vehicle**” or “**SPV**” refers to a separate legal entity established through joint venture/partnership between private sectors to develop, Own, Operate and/or Transfer a MPP under this Policy.
- xxxvi. “**Sustainable and Renewable Energy Development Authority**” or “**SREDA**” refers to the authority established under the Sustainable and Renewable Energy Development Authority Act, 2012.
- xxxvii. “**System Operator**” means the organization or department assigned to operate the transmission system and load dispatch, as defined in the Bangladesh Energy Regulatory Commission (Electricity Grid Code) Regulation, 2023.
- xxxviii. “**Wheeling of Power**” means evacuation or transmission of power generated as per provisions under Section 5 of this Policy.
- (b) Whenever the capitalised terms are used in this Policy, whether in the singular or plural, in the future or past, they shall have the meaning ascribed to each of them.

## Part II

### **Merchant Power Plants**

#### **2. Merchant Power Plants:**

- (a) Private Investors can establish a Special Purpose Vehicle to develop and operate one or more MPP subject to compliance with applicable laws as well as technical standards of grid connectivity and operation set-forth under Electricity Grid Code Regulations.

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- (b) The Large Consumers or Bulk Power Consumers are allowed to source electricity from more than one MPP up to its contracted capacity as declared in the respective MPPA and will construct necessary infrastructure/facility (if necessary) to receive power as per the provisions stipulated in the contract with the respective PSU. Accordingly, the MPPs can also sell power to relevant Distribution Licensee or PSU on terms which are non-discriminatory to those which apply to other customers of the Distribution Licensees or PSU. Large Consumers or Bulk Power Consumers may source all or part of their energy requirements from one or more MPPs.
- (c) MPPs can sell power and/or available generation and/or storage capacity to more than one Large Consumer or Bulk Power Consumer under one or more than one MPPA.
- (d) Distribution PSUs through a PPA may purchase power and/or available generation and/or storage capacity from MPP up to 20% of the declared monthly energy output at a tariff to be determined by BEREC. GOB will not provide any guarantee in favour of any MPP with respect to the performance of the obligations of a Distribution Licensee and/or Public Sector Power Utility pursuant to any agreement entered into between the MPP and the Distribution Licensee and/or Public Sector Utility pursuant to Parts II and III. The relevant Distribution Licensee or PSU shall be responsible for procuring the issuance and maintenance (including replenishment) of acceptable payment security in favour of the MPP in connection with any such agreements. Such acceptable payment security may take the form of an on demand irrevocable and unconditional bank guarantee or letter of credit issued by a bank or any financial institution acceptable to the MPP and its lenders, for an amount and on terms acceptable to the MPP and its lenders.
- (e) The concerned Distribution and/or PSU (Distribution Licensee and PGBPLC) shall manage the last mile connection and relevant services to the Large Consumers and/or other consumers, as and when applicable. The PSU, subject to availability of power and its capacity, may also be the supplier of last resort as per declared demand contracted with the MPP in the event where MPP is not able to generate and/or supply electricity to the Large Consumers. Provisions in this regard may be included in the SLA.

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- (f) Except for any interconnection facilities developed by any Large Consumers or Bulk Power Consumers as per the policy of the relevant Distribution Licensee or PSU, the relevant Distribution Licensees or PSU shall be responsible for the development, operation and maintenance of the grid system.
- (g) The Large Consumers or Bulk Power Consumers can be the owners of MPP and vice versa and use the grid of PSU for the evacuation of power under this Policy.
- (h) Any dedicated connection between the MPP and the Large Consumer and Bulk Power Consumers shall not come under the purview of this Policy.
- (i) MPP will:
- (i) pay the Open Access Tariff to concerned PSU(s) under section 4(a) of this Policy; and
- (ii) sell electricity to PSU, as shown in Annexure-II, at a tariff agreed upon under the PPA as determined by BERC.
- (j) In connection with the entry into one or more MPPAs, the MPP shall be entitled to enter into a Service Level Agreement (SLA) with Power Grid and BPDB (or the relevant PSU or Distribution Licensee) which includes, among others, the terms as shown in Annexure-II, and, if required by the lenders to the MPP, the entry into customary direct agreements with the lenders to the MPP.
- (k) If necessary, Provisions regarding storage facility for MPPs may be included in the SLA.

### **Part III.**

#### **Provisions relating to Power Plants under Public-Private Partnership (PPP)**

##### **3. Requirements of PPP:**

- (a) Any MPP developed through PPP model shall follow the provisions of Bangladesh Public-Private Partnership Act, 2015.
- (b) PSUs and Generation Licensees under Power Division will not be entitled to develop any MPP project under this Policy to avoid potential conflict of interest.
- (c) SoEs are encouraged to develop MPP under this Policy.
- (d) To the extent permitted by law, in-kind contribution of SoEs (such as project land and other assets) may be considered as part of the equity contributions of the MPP and as a basis for determining the SoE's share in such MPP.

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**Part IV.****Wheeling of Power****4. Wheeling of Power**

- (a) Power Grid and all Distribution Licensees shall provide non-discriminatory open access, to their transmission and/or distribution system for use by any MPP subject to payment of transmission/distribution Open Access Tariff, as determined by BERC.
- (b) Open access, as per Section 4(a), will be subject to availability of adequate capacity of PSU's transmission and/or distribution facilities.
- (c) The maximum supply capacity from MPP to the Grid System shall be determined based on the outcome of power system study performed by the respective PSUs based on load generation balance.
- (d) After successful commissioning, the MPP shall declare its maximum monthly energy output and generation availability, as specified in the Grid Code and report to Power Grid and respective Distribution PSU, accordingly.
- (e) Energy output of the MPP that is greater than the maximum monthly energy demand, due to a temporary or permanent withdrawal of a Large Consumer or Bulk Power Consumer or due to a termination of a MPPA, or of any volumes to be taken under an MPPA, may be sold to a PSU, subject to the amount of power mentioned in section 2(d) of this Policy through PPA subject to the system condition as well as approval of relevant PSU.
- (f) MPP shall provide a written notification to the PSU of any circumstances under section 4(e) above as soon as practicable upon becoming aware of the occurrence (or expected occurrence) thereof.
- (g) Unless otherwise agreed between the MPP and the relevant PSU, the PSU shall not be obliged to purchase electricity generated by the MPP and metered at the relevant metering system that is greater than the aggregate maximum monthly energy demand by Large Consumers and/or Bulk Power Consumers.
- (h) In carrying out its role to maintain system security, the System Operator shall have the right to instruct MPP to reduce, maintain or increase the output subject to system condition. In this regard, the

MPP, System Operator or any other party shall not be entitled to any compensation whatsoever by any agreement entered into pursuant to section 2(i) of this policy.

- (i) The System Operator shall only perform its duties under this Policy, if the system permits and shall not be obligated to dispatch power in the event of an emergency condition within the grid system. In this regard, the MPP, System Operator or any other party shall not be entitled to any compensation whatsoever by any agreement entered into pursuant to section 2(j) of this policy.
- (j) Any dispute regarding the availability of adequate transmission and distribution facilities will be settled in accordance with the provisions of the agreement entered into pursuant to section 2(j).
- (k) For open access transactions, applicable transmission and distribution loss shall be determined by BERC in this regard.
- (l) MPP will be responsible to establish their dedicated Electrical Interconnection Facility (EIF) in compliance with the Grid Code/Distribution Code.
- (m) The responsibilities of the System Operator are the following:
  - i. to ensure and deal with efficient and quality power flow; and
  - ii. to deal with mismatch and imbalance in power flow, as per Grid Code.
- (n) NLDC under the Power Grid will act as the System Operator.

## **Part V.**

### **Qualification of Investors**

#### **5. Qualifications:**

- (a) The interested Private Investors and Foreign Investors/Joint Venture should possess, among others, the following qualifications for installation of MPP under this Policy:
  - i. proven financial capacity to arrange financing for development of MPP.

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- ii. proven experience in developing and operating power plant of same or at least 25% capacity as IPP, Rental Power Plant, SPP or Captive Power Plant and selling power in Bangladesh or abroad.
  - iii. If any Private Investor lacks experience as required in 5(a)(ii), relevant experience of the Engineering Procurement and Construction (EPC) contractor will suffice to meet the criteria.
- (b) Following Investors will not qualify to establish MPP under this Policy:
- (i) Investor against whom litigation/arbitration is pending in any court in Bangladesh or abroad, which if adversely determined may have a significant impact on that Investor's financial or other capabilities.
  - (ii) Investor that has unsettled payment obligations to GoB and until such disputes are settled.
  - (iii) Investor who is a loan defaulter as defined by Bangladesh Bank.
  - (iv) Investor who is barred by any foreign government or GoB or any other institution of GoB.

## **Part VI**

### **Power Purchase, Land Lease/Transfer by GoB**

#### **6. Power Purchase, and Land Lease/Transfer by GoB:**

- (a) PSU, in pursuant to the provisions mentioned in 2(d) of this policy, will purchase power from MPP through a PPA at a rate determined by BEREC. In that case the terms and conditions of the PPA will be settled by negotiation between the parties and approved by GOB.
- (b) GoB may facilitate transfer, acquisition or leasing out of the project land to the Private Investors and Foreign Private Investors for MPP under PPP arrangements under Part-III of this Policy.

- (c) GoB will facilitate MPP projects on private tea estates.
- (d) The GoB will provide necessary support (in applicable cases) to the MPPs that intend to set up wind-based power plants on the coastline and near-shore area of Bangladesh.

## **Part VII**

### **Licensing/ Approval/ Clearance/Compliance**

#### **7. Licensing/ Approval/ Clearance/Compliance:**

- (a) Local and/or Foreign Investors while setting up an MPP will obtain prior approval from the GoB, necessary License from BERC, as MPP under Part-II and Part-III of this Policy and BERC will notify the Power Division, BPDB and Power Grid about issuance of such licenses.
- (b) Local and/or foreign Investors while setting up an MPP will submit an environmental impact assessment report for MPP under Part-II and Part-III under this Policy to the Department of Environment and shall comply with environmental and other related laws, rules and regulations issued by the Government from time to time.
- (c) GoB will support to obtain approval from the Insurance Development and Regulatory Authority to procure required insurance policies in relation to MPP project.

## **Part VIII**

### **GoB Support and Fiscal Incentives**

#### **8. GoB Support and Fiscal Incentives:**

- (a) MPP projects under this Policy will be eligible for all GoB supports and incentives as provided by the National Board of Revenue and BIDA from time to time.

- (b) For waste to energy based MPPs, the GoB will facilitate the arrangement of waste supply agreement of the MPP with the relevant local government entity in consultation with the Local Government Division.
- (c) To finance MPP projects, the Investors may approach GoB-owned specialized Non-banking Financial Institutions and other funds created by Bangladesh Bank under its available schemes, as applicable, as well as any international banks and financial institutions (subject to obtaining BIDA approval for any such financing arrangements, if applicable).
- (d) Considering the market volume, development and prospects etc. of the MPPs, the GoB may form an authority to facilitate such power trading.

## **Part IX**

### **Miscellaneous**

#### **9.1 Security of Investment:**

Private investors under this Policy will be entitled to a fair return on their investments. Therefore, until the contract between such Private Investors or the relevant MPP and the Large Consumer and/or Bulk Power Consumer is expired/terminated, Distribution Licensees will not compete with Private Investors or MPP to sell power to such Large Consumer or Bulk Power Consumer.

#### **9.2 Right to Interpretation:**

- (a) Section headings under this policy are for convenience only and shall not affect interpretation of any section.
- (b) In case of ambiguity regarding interpretation of any provision of this Policy, GoB interpretation shall be final.

#### **9.3 Termination of MPPA, SLA and PPA:**

- (a) All MPPA, SLA and PPA shall have standard termination clauses covering force majeure events, termination events, notice of termination events to other parties, and payment obligations of the parties thereof.

- (b) GoB shall be informed about the termination of MPPA, SLA and PPA by the parties.
- (c) Termination of PPA under this policy will be subject to GoB approval.
- (d) If applicable, GoB shall provide protection against termination of MPPA following events such as nationalization and change in the GoB policy which may adversely affect the MPP.

#### **9.4 Dispute resolution:**

- (a) Any dispute between the MPP and Large Consumer or Bulk Power Consumer or between the MPP and a PSU or Distribution Licensee shall be first attempted to settle amicably by the concerned parties.
- (b) If the dispute cannot be settled amicably, BERC shall be approached to settle/adjudicate the same as per provisions under Bangladesh Energy Regulatory Commission Act, 2003.
- (c) Subject to having provisions in the relevant agreement in this regard, the dispute may be referred to international arbitration as applicable.
- (d) Arbitral award shall be final and binding upon the parties.

#### **9.5 Renewable energy Certificate:**

- (a) SREDA will use the calculation mechanism of environmental attributes developed by the Department of Environment for MPP that use renewable energy sources such as solar, wind, hydro, geothermal, biomass, municipal waste and other clean and green energy sources to generate electricity and based on such calculation will issue Renewable Energy Certificates (REC) according to international standards as per provisions under the Renewable Energy Policy 2025.
- (b) Under the MPPA and PPA framework, the environmental attributes belong to the MPP. The environmental attributes may be transferred to the Large Consumers and/or Bulk Power Consumers and/or PSU in accordance with the terms of the relevant MPPA and PPA.

- (c) Conversion of environmental attributes in the form of the RECs shall be done according to international standards.
- (d) The GoB will develop an enabling environment and necessary infrastructure for trading of RECs between the owners and buyers of RECs as per provisions under the Renewable Energy Policy 2025.
- (f) SREDA will maintain records of RECs generated and traded between the owners and purchasers of RECs.

### **Annexure I**

1. Large Consumers shall include, large industrial enterprise, Economic Zones established by BEZA or with BEZA Licenses, Export Processing Zones, Special Economic Zone, Private Economic Zones, Industrial Estate/Park, High Tech Parks, Large Real Estate etc. meeting the following voltage level and load capacity:
  - (a) Load above 140MW connected to 230 kV level.
  - (b) Load above 30MW up to 140MW connected to 132 kV level.
  - (c) Load from 5MW up to 30MW connected to 33kV level
  - (d) Load less than 5MW connected to 11kV level.
  - (e) Load equal to or more than 5MW by a consumer with clustered connections connected to 0.4kV levels.
2. Connection and other conditions specified in the Grid Code/Distribution Code shall be applicable. All Large Consumers and Bulk Power Consumers shall be connected to the transmission/distribution network based on the technical study/requirements of the PSU.

### **Annexure II**

1. Merchant Power Plants under this Policy may sell up to 20% of its electricity produced to PSU at the price agreed upon in the PPA, as per provisions under section 2(d) of this policy. This arrangement for sale and

purchase of electricity between the PSU and MPP is not binding upon any of the parties. Rather, it is subject to availability and at the demand and capacity of the PSU.

2. Subject to and in connection with one or more MPPAs, the MPP shall be entitled to enter into necessary Service Level Agreement(s) with Power Grid and BPDB (or Distribution Licensee) and to evacuate power (generated and/or stored) meeting the terms and conditions set forth in part IV of this policy.
3. (a) The MPP shall be responsible for designing, constructing and commissioning all electrical interconnection facilities to connect to the Grid System/Distribution System;  
(b) PSU shall provide all access to the premises that are owned or controlled by PSU for the purposes of conducting such works, with any electrical interconnection facilities and the metering system used to measure the electricity generated by the MPP transferring to the Grid/Distribution System; and  
(c) PSU will carry out the operation and maintenance of such assets in exchange for charges subject to the signing of a separate Operation and Maintenance (O&M) agreement;
4. The MPP shall be entitled to purchase all power required for the purposes of construction and commissioning of the MPP from the relevant PSU.
5. Subject to the relevant provisions in the SLA, the MPP shall be entitled to get compensation for any increased costs or loss of revenue to the extent resulting from:
  - (a) A dispatch limitation or circumstances where the MPP is otherwise unable to deliver power and/or make available capacity under its MPPAs as a result of any circumstances affecting the Grid System (excluding any conditions mentioned in section 4(h) and 4(i)) which are not caused by the MPP operating outside agreed technical limits; or

- (b) Circumstances where the Large Consumers or Bulk Power Consumers are unable to consume of power metered at the MPP delivery point for reasons (excluding any emergency situation) other than a failure by the Large Consumers or Bulk Power Consumers to comply with the terms of their access to the Grid/Distribution System;
6. The MPP shall be entitled to compensation for any loss of revenue to the extent the MPP is unable to deliver power and/or make available capacity under its MPPAs as a result of any change in law caused by GoB, as well as for compensation for additional costs incurred in connection with any agreed restoration of the MPP which is required due to a change in law caused by GoB;
7. The SLA shall include reciprocal termination rights for events of default (together with customary lender step-in and cure rights for events of default of the MPP), as well as termination rights for prolonged natural force majeure and adverse political circumstances, with termination payments payable to:
- (a) the MPP, in case of termination due to default by PSU;
- (b) the PSU, in case of termination due to default by the MPP.

#### **List of Acronyms**

<b>BERC</b>	Bangladesh Energy Regulatory Commission
<b>BEZA</b>	Bangladesh Economic Zones Authority
<b>GoB</b>	Government of Bangladesh
<b>BPDB</b>	Bangladesh Power Development Board
<b>IPPs</b>	Independent Power Producers
<b>MPP</b>	Merchant Power Plants
<b>MPPA</b>	Merchant Power Purchase Agreement

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<b>NLDC</b>	National Load Dispatch Center
<b>PGBPLC</b>	Power Grid Bangladesh Public Company Limited
<b>PPA</b>	Power Purchase Agreement
<b>PPP</b>	Public Private Partnership
<b>PSPGP</b>	Private Sector Power Generation Policy
<b>PSU</b>	Public Sector Utilities
<b>REC</b>	Renewable Energy Certificate
<b>SLA</b>	Service Level Agreement
<b>SOE</b>	State Owned Enterprises
<b>SPV</b>	Special Purpose Vehicle
<b>SREDA</b>	Sustainable and Renewable Energy Development Authority