

Views

There is no rationale for bulk power price hike



A K Enamul Haque

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An increase of 19 or 20 percent in bulk electricity price is a significant rise. We need to know the reasons behind this increase, and also why our energy authorities increase the power prices – bulk and retail – haphazardly. We have observed a serious lack of accountability in the entire process of electricity price fixing.

While our capacity of producing electricity is 25,000 megawatt, so far, we have never been able to produce more than 15,000 megawatt. And although we have not been able to use the

remaining 10,000 megawatt, we have been paying a large amount of money as capacity charge to the private companies. If this is the reason for this power price hike – and I assume this could be one of the reasons – then the question is: where is the accountability of the authorities concerned? We must find out if the Bangladesh Energy Regulatory Commission (BERC) has increased the price only because of capacity payment.



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In one of my studies, I found that there is a serious lack of accountability among the distribution and transmission companies. They know very well that they can ask the BERC to increase the price at the consumer end if their expenditure increases because of bulk power price increase. These companies must be held to account. We need to know exactly where the cost of production and transmission has increased.

Moreover, the result of this price increase will not be good for the government as well. The prime minister recently inaugurated 50 industrial units, projects and facilities in the Economic Zones

(EZs). But the investors will not be interested to invest there if the electricity price increases randomly.

The entire world is now trying to reduce energy prices. At the moment, the price of gasoline is the same as it was before the Ukraine war. The US Brent oil was sold below USD 80 yesterday. Globally, the price of oil is going down. So, increasing the bulk power price right now does not seem like a rational move. Our power authorities must be held accountable for taking such a decision. Such rash decisions will not only create pressure on the consumers, but will also ruin our industrial competitiveness and have a negative impact on our foreign investment and overall economy.

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(As told to Naznin Tithi of The Daily Star)

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