



Bangladesh Power Development Board
INTEGRATED MANAGEMENT SYSTEM
(BASED ON ISO 9001:2015, ISO 14001:2015 & ISO
45001:2018 STANDARDS)

**PROCEDURE FOR MANAGING INDEPENDENT POWER
PRODUCER**



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1.0 Purpose

- To monitor performances of IPP
- To ensure generation of electricity through IPP's
- To ensure efficient utilization of facilities.

2.0 Scope

Applies to the Integrated Management System of Bangladesh Power Development Board (BPDB) for managing the activities of Independent Power Producers (IPP)

3.0 Terms & Definition

Definition

None

Abbreviations

BPDB – Bangladesh Power Development Board

MR – Management Representative

IPP – Independent Power Producer

4.0 Roles and Responsibility

Tasks in Reference Clause nos.	Responsibility
5.1, 5.2	Concerned Director
5.3, 5.3.1, 5.3.2	Director & Deputy Director, Deputy Director & Assistant Engineer
5.4	MR

5.0 Procedure

5.1 Plan

- The GOB decided to invite Private Entrepreneurs for setting up power plants in the private' sector to improve the power generation in the country. In this regard Private Sector Power Generation Policy of Bangladesh has been published in 1996. IPPs have been setting up under the aforesaid policy. Under this policy
 - Implementation Agreement (IA) has to be signed between the GOB and Project Sponsor,
 - The Power Purchase Agreement (PPA) has to be signed between BPDB and the Sponsor,
 - The Land Lease Agreement (LLA) has to be signed between BPDB and the Sponsor in case of BPDB's leased land and

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(iv) Fuel Supply Agreement (FSA) has to be signed between the concerned fuel supplier and the sponsor.

- The GOB has also decided for quick enhancement of private power generation to alleviate the power crisis. In this regard, "The Special Act, 2010 for Enhancement of Power & Energy" has been published in 2010. Quick Rental Power Plants have been setting up under the aforesaid special act. Under the aforesaid act, unsolicited proposals are encouraged in private power participation.
- In case of rental power plants only "Contract for Supply of Electricity on Rental Basis" has to be signed between BPDB and the Sponsor.
- The following directorates are involved in dealing with the private power companies:
 - IPP Cell-1.
 - IPP Cell-2
 - IPP Cell-3.
- The aforesaid 03 (three) directorates are working under the office of the Chief Engineer, Private Generation. The office of the Chief Engineer, Private Generation looks after the overall activities of the aforesaid Directorates.

5.2 Activities of the IPP Cell(s) in general.

- Under the Private Sector Power Generation Policy of Bangladesh,
- IPP Cell-3 deals with the construction and operational activities of the power plants below 150 MW and IPP Cell-1 deals with the others.
- IPP Cell-2 deals with the construction and operational activities of the unsolicited rental power plants (Quick Rental Power Plants). IPP Cell-2 also deals with the construction and operational activities of the Shirajganj 225 MW CCPP and Khulna 225 MW CCPP of North-West Power Generation Company Ltd. (NWPGCL) and Haripur 412 MW CCPP of Electricity Generation Company of Bangladesh (EGCB).
- IPP Cell-1 also deals with the operational activities of those private power plants which achieved Commercial Operations Date (COD) prior to the establishment of IPP Cell-2 and IPP Cell-3. In addition to that, IPP Cell-1
 - (i) deals with the tendering process including preparation of all Project Agreements of all private power plants and required amendment/extension of the Project Agreements,
 - (ii) deals with the preparation of Project Agreements of all Public Sector Power Companies,
 - (iii) on behalf of BPDB assists Power Division, Ministry of Power, Energy & Mineral Resources for preparing the reports and documents on unsolicited proposals submitted by the interested private entrepreneurs for setting up private power Plants and
 - (iv) deals with the power purchase from India under the provision of cross border power purchase.

5.3 Routine Work

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The followings are the routine works after the signing of the Project Agreements (Power Purchase Agreements (PPA), Implementation Agreements (IA), Fuel Supply Agreements (FSA) and Land Lease Agreements (LLA)) with the sponsor companies (in case of rental power plants, IA, FSA and LLA is not applicable and Contract for Supply of Electricity on Rental Basis is applicable instead of PPA):

5.3.1 Construction Phase:

- To ensure the submission of the Performance Security Deposit by the sponsor company
- Handover the site to the sponsor company within stipulated time provided in Land Lease Agreement (LLA) through concerned Project Director (PD).
- IPP Cell assists the concerned Project Director (PD) for registration of the Land Lease Agreement
- IPP Cell cooperates PGCB for providing power to the sponsor company for Construction, Commissioning and start-up of the power plant as per provision of the PPA
- Cooperate the Company in obtaining GOB Authorization, permits & License
- Monitor the payment of the land rent by the company as per LLA.
- To make arrangement for issuing certification for tax free importation of the plant equipment as per provisions of the IA and PPA
- To keep record of imported plant & equipment with FOB & C&F cost.
- To monitor the progress of the construction work of the power plant by collecting progress report from the concerned Project Director (PD).
- Monitor the progress work for the Electrical Interconnection Facility (EIF), Interconnection and Transmission Facility (ITF) & Gas Regulating and Metering Station (RMS) as applicable through concerned Project Director (PD)
- Monitoring of the Event of Defaults and take necessary measures in accordance with the Project Agreements.
- Monitoring of the Force Majeure Events and take necessary measures in accordance with the Project Agreements
- Make arrangement for mitigation of Dispute in accordance with the Project Agreements
- Make arrangement for witnessing Commercial Operation Test and declaration of the Commercial Operations Date (COD)
- Conducting Annual dependable capacity test of power plant.
- Make arrangement to form Energy Meter Reading Committee for Energy Meter reading.
- To take necessary measures for deducting LD from the sponsor company for delay in commissioning of the plant as per PPA
- Monitor other obligations of the Company & BPDB under Project Agreements and take necessary measures in accordingly.

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5.3.2 Operations Phase:

- To ensure the submission of the Operation Security Deposits by the company
- To take necessary measures for deducting LD for Shortfall in Capacity
- To make arrangement for issuance of tax exemption certificate for importation of spare parts as per PPA and IA
- To keep record on imported spare parts with FOB & C&F cost.
- To process the monthly invoices submitted by the company
- To Cooperate with the Company in getting GOB Authorization (if any)
- Computation of the yearly requirement of liquid fuel for the concerned IPP's and recommendation to Ministry for tax, duty free importation of the liquid fuel
- To keep record of the imported liquid fuel
- Arrangement for Annual Capacity Test of the plant as per PPA
- valve arrangement for shutdown program for the power plants as requested by the sponsor company
- Monitor other obligations of the Company & BPDB under Project Agreements and take necessary measures in accordingly.

5.3.3 Other Activities

- Preparation of reports on construction/ operation of the power plants as required by the competent authorities
- Preparation of APP and Budgets, fund placements etc. for overhead expenses of the directorate

5.4 Implementation & Internal Review

- Procedure for Managing Independent Power Producer and its effectiveness after implementation of its decisions will be checked and reviewed during internal audits.
- Review consideration will be raised in MRC Meeting for decision
- Corrective actions will be taken to improve the system on the basis of review

6.0 References

- a) Private Sector Power Generation Policy of Bangladesh
- b) The Special Act, 2010
- c) PPA
- d) LLA
- e) IA

7.0 Appendix

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8.0 Revision History

SI No.	Revision Number	Section	Change Made	Date of Revision

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