

Electricity price to go up from March 1: Nasrul

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Online Desk: State Minister for Power, Energy and Mineral Resources Nasrul Hamid on Tuesday said power tariff will go up with effect from March 1.

The power tariff might increase between Tk 0.34 and Tk 0.70 per unit, he said while talking to reporters at his office in the Power and Energy Ministry.

This step is being taken as part of the government move to come out of the subsidy now being given to the power sector, said the minister.

He also indicated that there might be an adjustment in the gas price as well keeping consistency with price in the international market.

The government last increased the electricity tariff in March last year.

According to the BPDB's Annual Report 2022-23, the fiscal year saw the production of 87,024 million kilowatt hours of electricity at a total cost of TK 98,646 crore.

Its per unit production cost was Tk 11.33, while it was selling electricity at Tk 6.7 per unit — incurring a loss of about Tk 4.63 per unit.

This imbalance has led to a staggering loss of Tk 47,788 crore for the fiscal year, as the government grapples with purchasing power from private and international sources at significantly higher rates.

With this huge loss, the government has been facing great trouble as it has to purchase electricity worth Tk 82,778 crore from private sector power producers, while it generates electricity worth Tk 13,307 crore from its own generation plants.

The annual report also shows that the BPDB's average per unit production cost from its own plants is Tk 7.63, while it is Tk 14.62 at the independent power producers or IPPs (private sector), at rental plants Tk 12.53, at public plants Tk 6.85, and imported power from India at Tk 8.77.

The government purchases electricity from the private sector and India in dollars.