



## **Press Release**

### **New Energy Master Plan: Carrying the Legacy of Corruption-driven Energy Dependency and the \$45 Billion Threat to Sovereign Prosperity**

Prompt examination by Change Initiative warns that Bangladesh's draft Energy & Power Sector Master Plan 2025 (EPSMP) is set to institutionalize a cycle of compounding debt and economic destruction. While the plan acknowledges past failures- such as overstated demand and mounting subsidies, it fails to offer momentary focus to energy sovereignty. Instead, it risks locking the nation into a permanent "debt trap" that threatens future economic wellbeing.

#### **The \$45 Billion Import Trap Upto 2050**

The Change Initiative analysis finds that the draft EPSMP effectively normalizes long-term reliance on imported fuels. The plan reduces import dependence by 20% upto 2050, leaving Bangladesh energy output dependent upto 2050.

- This persistent reliance is projected to cause a massive foreign exchange drain from **USD 30 to 45 billion** from 2026 to 2050.
- By prioritizing LNG terminals and refineries over domestic alternatives, the plan sustains exposure to global price shocks and currency depreciation.

#### **Engineered Overcapacity: A Return to Capacity Payments**

The position paper flags a severe risk of returning to an overcapacity crisis.

- Planned generation expansion is set to reach **89.1 GW** by 2050.
- National demand is projected at only **59 GW** for the same period.
- This massive 30 GW surplus threatens to lock the country into fossil fuel led and corruption prone capacity charges, forcing consumers to pay for idle power plants and driving up electricity tariffs.

#### **“Back-loading” the Transition to 2040**

Despite national climate commitments (NDC 3.0) of Bangladesh, the EPSMP underline the significant renewable energy potential from 2040–2050.

- This questionable delay will jeopardize the dependence on expensive fossil fuels and prevents early access to concessional climate finance to accelerated renewable energy promotion.
- Incentivized Low-cost options like rooftop, mini solar system and distributed solar remain under-prioritized in favor of high-capex LNG infrastructure.



- The analysis also questions the credibility of carbon finance claims, noting a gap between the plan's projected **USD 20 billion by 2050** in credits and a realistic near-term potential of just **USD 150 million by 2030** as Change Initiative study related in its NDC 3.0 targets.

## The Social Cost: Affordability and Equity

The draft plan projects electricity prices rising to **13.66 BDT/kWh** and gas to **70 BDT/m<sup>3</sup>** by 2050.

- Current reforms lack rights-based protections for households and small businesses.
- There are no "lifeline tariffs" or automatic support mechanisms to protect vulnerable communities from price shocks.

“Despite directing \$1 investment from LNG to solar projects ensure additional \$17 gain, the masterplan is to destroy the country’s economic future. Without Renewable Energy based Sovereignty, Just Energy Transition are just Words,” said M. Zakir Hossain Khan, Chief Executive of Change Initiative. We cannot carry the legacy of corruption driven, economy damaging and import-centric energy models that have drained our hard-earned reserves while ignoring the potential of our own grid.

## Five Critical Fixes to Secure Sovereign Prosperity

To prevent a "stranded asset" future, Change Initiative proposes five mandatory revisions before the plan is finalized.

1. **Energy Sovereignty Test:** Mandatory foreign exchange stress testing and price-shock scenarios for all new LNG and fossil fuel projects.
2. **Renewable Re-sequencing:** Moving large-scale solar and wind deployment from Phase III (2040s) to Phase I (current), with 50-100 MW rental power project to reduce both corruption and dispute risk.
3. **Rights-based Affordability:** Institutionalizing lifeline tariffs and worker transition packages for those affected by the energy shift.
4. **Natural Rights Led Governance:** Embedding "ecological no-go zones" and community stewardship into energy project approvals.
5. **Transparency Mechanism:** A rolling update system to prevent overcapacity and ensure auditable monitoring of emissions and procurement.

**Full analysis available here:**

<https://www.changei.earth/post/review-of-energy-and-power-sector-master-plan-epsmp-2025-draft>



## **About Change Initiative:**

Change Initiative is a think and do tank focused on climate finance, energy sovereignty, and natural rights led governance. This analysis aims to support evidence-based improvements to Bangladesh's national energy and power sector master plan 2025

## **Media Contact:**

Mohammad Rezaul Haque Heron  
Communication Manager  
Mob/WhatsApp: 01726-738970  
Email: heron@changei.earth