

**3-Year Road Map
For
Power Sector Reform
(2008 - 2010)**



**Power Division
Ministry of Power, Energy and Mineral Resources
Govt. of the People's Republic of Bangladesh**

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Acronyms and Abbreviations

APSCL	Ashuganj Power Station Company Limited.
BERC	Bangladesh Energy Regulatory Commission
BPDB	Bangladesh Power Development Board
CFL	Compact Fluorescent Lamp
CZPDC	Central Zone Power Distribution Company
DESA	Dhaka Electric Supply Authority
DESCO	Dhaka Electric Supply Company
DPDC	Dhaka Power Distribution Company
DSA	Development Service Agreement
DSM	Demand Side Management
EGCB	Electricity Generation Company of Bangladesh
ERD	Economic Relations Divisions
FRP	Financial Restructuring Plan
GOB	Government of Bangladesh
HRD	Human Resources Development
IIFC	Infrastructure Investment Facilitation Center
IMED	Implementation Monitoring and Evaluation Division
IPP	Independent Power Producer
LDC	Load Dispatch Center
LGED	Local Government Engineering Department
MIS	Management Information System
NWZPDC	North West Zone Power Distribution Company
NWPGC	North West Power Generation Company Limited
PBS	Palli Biddyut Samity (Rural Electric Cooperatives)
PC	Power Cell
PGCB	Power Grid Company of Bangladesh
PRSP	Poverty Reduction Strategy Paper
PSMP	Power System Master Plan
PSRB	Power Sector Reform in Bangladesh
PTA	Performance Target Agreement
RAPSS	Remote Area Power Supply System
REB	Rural Electrification Board
RFP	Request for Proposal
SBU	Strategic Business Unit
SEDA	Sustainable Energy Development Agency
SEU	Sustainable Energy Unit
SHS	Solar Home Systems
SZPDC	South Zone Power Distribution Company
TQM	Total Quality Management
WZPDC	West Zone Power Distribution Company

Power Sector Reform in Bangladesh

Introduction

Providing access to affordable and reliable electricity to all citizens by 2020 is a befitting national goal of the Government of Bangladesh (the Government). GOB is currently working with an interim target of providing electricity to 60% of the population by 2010. At present electricity coverage in Bangladesh is only **43%** and per capita electricity consumption is about **140** kWh which is one of the lowest in the World.

It is recognized that the pace of power sector development has to be accelerated in order to achieve overall economic development of the country. To upgrade the socio-economic condition and to alleviate poverty, electricity sector has been prioritized by the Government.

As power projects are capital intensive, developing adequate generation, transmission and distribution facilities to provide reliable and quality power supply to the population is a challenge for the Government. Therefore, to materialize GOB's vision, active participation of the private entrepreneurs and power sector reform & restructuring are essential.

The performance of Bangladesh power sector in last two decades fell short of expectation of our citizen. High system losses in the sector, large amount of accounts receivable and inadequate tariff have been affecting the financial viability of the utilities and attractiveness for investment. Acute scarcity of resources hinders financing the huge cost required for the development of the sector. Absence of clear organizational goals, adequate financial and commercial autonomy and lack of adequate incentives resulted inefficiency in the utility management.

Power sector reform is required not only for performance improvement of the existing utilities but also to cope up with the global change and to create appropriate environment for private sector participation.

Reform Initiatives

The foremost priority in the reform agenda of the Government is to establish a legal framework for enabling business transaction in the new environment. The roles of regulation and operation would be segregated to evolving functional entities according to the structural needs of reformed power sector; Bangladesh Energy Regulatory Commission will be responsible for regulation of the sector. The Government shall, however, issue policy directives on matters concerning electricity including measures necessary for the overall planning and coordination for the development of the electricity sector.

Power sector reforms started in late '70s with the creation of REB. In respect of the reform program following achievements have been made so far:

- ◆ Rural Electrification Board was created in 1977
- ◆ Rural electrification program has been successful :
 - ❖ 70 Nos. PBSs established
 - ❖ Area coverage increased, so far 50,360 villages are electrified.

- ❖ Electricity Supplied to 7.3 million consumers out of country's 10.4 million consumers in 2007.
- ❖ Significantly positive impact on poverty reduction and social benefits to the rural people.
- ◆ In early nineties, unbundling of the power sector as a part of reform started with the creation of DESA in 1991. However, DESA did not perform well.
- ◆ A high power Inter-ministerial Committee on "Power Sector Reform in Bangladesh" (PSRB) was constituted in 1993. The report of the committee was approved by the Government. The committee's recommendations included :
 - ❖ Unbundling of the sector according to functional lines
 - ❖ Corporatization of sector entities
 - ❖ Establishment of an independent Regulatory Commission
- ◆ As a result of implementation of PSRB, the Power Grid Company of Bangladesh Limited (PGCB) and Dhaka Electric Supply Company Limited (DESCO) were created in 1996.
- ◆ Power Cell was created under the Ministry of Power, Energy & Mineral Resources in 1995 to facilitate power sector reforms and to promote private power development
- ◆ The National Energy Policy adopted in 1996 which recommended among others
 - ❖ Sector unbundling
 - ❖ Private sector participation
 - ❖ Establishment of an Energy Regulatory Commission
- ◆ "Private Sector Power Generation Policy of Bangladesh" was adopted in 1996.
- ◆ The Government approved "Policy Guidelines for Small Power Plants (SPP) in Private Sector" in 1998
- ◆ Government reconstituted board of directors of corporatized entities for good governance. Government discontinued the practice of appointing Secretary Power Division as chairman of the board and the companies formed board committees for Audit, Recruitment and promotion, and procurement to ensure transparency and accountability in the corporatized entities.

Reform Objectives

GOB issued its Vision and Policy Statement on Power Sector Reforms in February, 2000, with the following objectives:

1. Bringing the entire country under electricity service by the year 2020 in phases.
2. Making the power sector financially viable and able to facilitate economic growth
3. Increasing the sector's efficiency
4. Introducing new corporate culture in the power sector entities
5. Improving the reliability and quality of electricity supply
6. Using natural gas as the primary fuel for electricity generation
7. Increasing private sector participation to mobilise finance.
8. Ensuring reasonable and affordable price for electricity by pursuing least cost options.
9. Promoting competition among various entities

Components of Reform

The principal components of the reform programme have been envisaged as follows:

1. Segregation of power generation, transmission and distribution functions into separate services and creation of BPDB holding company as an apex body where generation, transmission and distribution operating companies will be the subsidiaries of the holding company.
2. Corporatization and commercialisation of emerging power sector entities.
3. Effective regulation under BERC for power and gas.
4. Private sector participation and private-public partnership in power sector.
5. Financial Restructuring and Recovery Plan for the sector.
6. Introduction of cost reflective tariff for financial viability of the utilities and promoting efficient use of electricity.
7. Development of Demand Side Management (DSM) including energy efficiency measures to conserve energy.
8. Creation of appropriate framework and institution to facilitate the development of alternative/renewable energy resources.
9. Utilization of captive power potential of the country through appropriate policy framework.
10. Capacity building and HRD for sector entities and corporatized bodies.

GOB intends to implement the above programme by taking pragmatic steps through nation-wide consensus of all stakeholders, which include GOB, existing electric utilities, industries and consumers, labour unions, employees, Chambers of Commerce and Industry, civil society etc.

Progress of Reform

Recently GOB initiated conversion of BPDB into a holding company including reshaping of the whole industry. A brief account of progress in the reform of the power sector is given below:

Generation:

- ◆ Under the "Private Sector Power Generation Policy", new capacity of 1431 MW has so far been developed by Independent Power Producers (IPP's)
- ◆ Licenses have been issued to several Small Power Plants under the "Policy Guidelines for Small Power Plants (SPP) in Private Sector".
- ◆ Under the "Policy Guidelines for Power Purchase from Captive Power Plant", agreements signed between utilities and captive generators for 28 MW so far and already 10 MW connected to the grid.
- ◆ Ashuganj Power Station has been converted into a corporatized entity.
- ◆ Electricity Generation Company of Bangladesh (EGCB) has been established to implement, own and operate the proposed 2x120 MW and 2x150 MW peaking power plants at Siddhirganj and 360 MW combined cycle power plant at Haripur. EGCB will also own existing generation assets of Siddhirganj and Haripur power stations of BPDB.
- ◆ North West Power Generation Company (NWPGC) has been incorporated in 2007.
- ◆ Steps have been taken to install new power plants under various modes of financing in addition to GOB funding

Transmission:

- ◆ Power Grid Company of Bangladesh Limited (PGCB) was created in 1996. All the transmission assets (100%) including Load Dispatch Center (LDC) have been transferred from BPDB to PGCB.
- ◆ Government allowed PGCB to float tax free bonds to raise fund from local market.
- ◆ PGCB offloaded it's 25% share to public through Capital Market in 2006. The process of offloading another 15% of shares has been initiated.

Distribution:

- ◆ DESCO was established in 1996 and is now functioning in Mirpur, Gulshan, Baridhara, Tongi and Uttara area of Dhaka by taking over assets from DESA
- ◆ West Zone Power Distribution System of BPDB has been corporatized as WZPDC.
- ◆ North West Zone Power Distribution system of BPDB has been corporatized as NWZPDC.
- ◆ DPDC was incorporated in October 2006.
- ◆ Corporatization of South Zone and Central Zone Power Distribution system of BPDB is under process
- ◆ Steps have been taken to bring the people of remote areas of the country under electricity system through Remote Area Power Supply System (RAPSS)" programme
 - ❖ Distributed generation with distribution franchise for a certain period
 - ❖ Program to be implemented by the private sector
- ◆ SBU activities adopted in 24 distribution circles of BPDB and DESA
- ◆ For introduction of Performance Target Agreement (PTA) scheme, contract has been signed with 24 distribution circles of BPDB and DESA.
- ◆ DESCO offloaded it's 25% share to public through Capital Market in 2006. The process of offloading another 15% of shares has been initiated.

Renewable Energy Development:

- ◆ Renewable Energy program is being implemented by both public (REB, BPDB, LGED) and private sector.
- ◆ Government is in the process of establishment of Sustainable Energy Development Agency (SEDA) to coordinate and facilitate activities of agencies promoting renewable energy.
- ◆ More than 200,000 houses, shops and small business have been provided access to electricity using SHS. IDCOL has been playing leading role in expanding Solar Home System (SHS) in rural areas.
- ◆ A pilot biomass plant is in operation near Dhaka and a wind power plant has started operation in Kutubdia Island.

Sector Regulation

- ◆ Bangladesh Energy Regulatory Commission Act was enacted in 2003. Bangladesh Energy Regulatory Commission (BERC) has been established and made functional to regulate the Electricity, Gas and Petroleum sector
 - ❖ Licensing regulation for generation has been made by the BERC in 2006.
 - ❖ BERC is in the process of preparing Electricity Transmission Regulation, 2008 and Electricity Distribution Regulation, 2008.

Tariff

- ❖ Power Pricing Framework has been approved by the Government.
- ❖ Rationalization of tariff (partial) has been made in 2006 and effective from March 2007.

Road Map for Institutional Reform : 2008-2010

Introduction

The 3-year Road Map (**2008-2010**) including the time-bound action plan is envisaged in line with **PRSP** for realization of the vision of reaching electricity to all by 2020. Six monthly rolling goals for the next three years are also prepared (**Annexure - A**).

During this period, electricity demand is expected to grow at the rate of 8-10% per annum. As such, the demand is expected to rise to about **6,608 MW** by **2010**. Therefore for reliable supply of power, the generation capacity will be required to be raised to at least **8,000 MW** which will facilitate raising the per capita consumption to **172 KWh** and access to electricity to **60%**. Thus about **2,800 MW** of new generation capacity will be needed to ensure adequate supply of electricity. Simultaneously, about **2200 circuit km** (100 km 400 kV, 1500 km 230 kV and 600 km 132 kV) of transmission line and about **50,000 km** of distribution line will have to be constructed for evacuation and distribution of power. Together with institutional reform and prudent investment program ensuring least cost solution can provide quantity and quality power to the consumers at an affordable price for sustainable economic and social development of the country. However, in order to redress the sufferings of the consumers due to acute power shortage in the shortest possible time, the Government has, as an interim measure, contracted with private power companies for generation and supply of electricity to BPDB on rental basis for 3 years. These rental power plants (about 300 MW) are expected to be commissioned within 4 months of signing of contract i.e., by May 2008. It is expected that within next 3-4 years, the power plants planned for implementation according to least cost plan will come on line, when these rental power plants will not be required. In response to overall gas situation, particularly transmission and distribution constraints new base load, small IPPs and rental power plants are being set up in and around areas where reliable gas supply is available.

The primary objective of the 3-year institutional reform programme is to create an institutional foundation on which to ramp, in a sustainable manner, the substantial investments needed for the sector to properly support economic growth and reduce poverty. This will require the sector to be restructured to improve its efficiency, transparency and overall governance, facilitate effective and independent regulation, expand competition, and begin to improve the quality of electricity services.

Experience gained from the reform attempts has been considered in preparing the road map. Creation of DESA as a separate authority, without introducing new management & corporate culture and without sufficient autonomy & incentive, did not yield good results. Again creation of Ashuganj Power Station Company Ltd (APSCL) and WZPDC without sufficient preparatory works and addressing governance & employee issues properly created mismanagement in the business.

Implementation of road map in future will be based on in-depth study. For example the outcome of BPDB corporatization study will guide structured reform in power sector. Based on BPDB corporatization study, DESA corporatization study, financial restructuring study, South Zone distribution project study for making it a model distribution entity, O&M contracting for EGCB study for model generation entity, the Road Map for reform and restructuring of Bangladesh power sector will be updated on a six monthly basis for the next course of action.

The main outcomes being sought over the next 3-years is further unbundling of electricity supply into an economically viable number of separate generation and distribution companies, and a single transmission company. These operating companies will act as subsidiaries of BPDB holding company. Technical co-ordination of power system operation will be enhanced through implementation of National Load Dispatch Center (NLDC) project

linking generation and grid substations. A strong planning and power trading department for bulk power management will be organized under the BPDB holding company.

The indicative milestones for the institutional reforms of the power sector in the next 3 years are summarized below:

A. Generation:

1. Existing Generation:

- 1.1. All the existing power stations in the public sector will be converted into profit centers for eventual conversion to a corporatized entity individually or on cluster basis which will be retained by BPDB holding company.
- 1.2. All commercial issues related to asset transfer and valuation will be completed.
- 1.3. The business and financial plans will be developed.
- 1.4. All works related to employee issues including payment of service benefits will be completed as per guidelines provided in the Policy Statement on power sector reforms. Employment of all employees to the corporatized entities shall be governed by the latter's service rules.
- 1.5. All efforts will be undertaken by GOB so that the emerging entities can start functioning commercially.
- 1.6. Special plans will be developed to enhance technical and managerial efficiencies and establishing good governance.
- 1.7. Special attention will be given to Human Resources Development (HRD) program.
- 1.8. To improve technical and management capability and to establish accountability, special organizational activities like TQM will be introduced.

2. New Generation:

New generation projects will be taken up to achieve the desired security of supply at generation level to be met at least cost and generation capacity will be sought through a mix of sources i.e. public, private, and public-private joint ventures. Employment of Private Sector resources in new generation will be encouraged.

For public sector new generation, special attention will be given to good governance, efficient O&M and establishing commercial environment.

B. Transmission:

1. PGCB will continue to operate as a wheeler of electricity.
2. Special attention will be given to Human Resources Development (HRD) program.
3. Demarcation of functional area of generation, transmission and distribution will be finalized and installation of system metering will be completed to establish commercial arrangement among the sector entities.

C. Distribution:

It is realized that main problem lies in the distribution segment. Therefore the success of the reform programmes can not be sustained until commercial environment is established in this segment.

C.1. BPDB:

1. BPDB distribution segment will be converted into a number of distribution companies under BPDB holding company. All works towards corporatization of BPDB distribution will be completed.
2. All commercial issues related to asset transfer and valuation will be completed.
3. Business and financial plans will be developed.
4. All works related to employee issues including payment of service benefits will be completed as per guidelines provided in the Policy Statement on power sector reforms. Employment of all employees to the corporatized entities shall be governed by the latter's service rules.
5. All efforts will be undertaken to complete computerization of commercial functions to boost revenue collection and establishing transparent transaction.
6. Special attention will be given to Human Resources Development (HRD) program.

C.2 DESA/DPDC:

1. DPDC will be fully functional with employees recruited through a process approved by the company.
2. All commercial issues related to asset transfer and valuation will be completed.
3. Business and financial plans will be developed.
4. All works related to employee issues including payment of service benefits will be completed as per guidelines provided in the Policy Statement on power sector reforms. Employment of all employees to the corporatized entities shall be governed by the latter's service rules.
5. All commercial functions will be computerized to boost revenue collection and improve transparency.
6. Special attention will be given to Human Resources Development (HRD) program.

C.3 REB:

1. Steps will be taken to improve REB's performance based on reorganization study.
2. Steps will be taken to improve network expansion planning process using advanced tools (software) for least cost option in line with GOB's vision to provide access to electricity to people at an affordable cost.

D. Sector Regulation:

The Bangladesh Energy Regulatory Commission Act was enacted in March 2003 and **Bangladesh Energy Regulatory Commission** has been made functional since April 2004. The Commission has mandate to regulate the electricity, gas and petroleum sector. The Commission already issued 'generation licensing regulation' in 2006. Government recently approved service regulations of BERC staff. The Commission will be fully functional by the year 2008, with appointment of qualified staffs pursuant to the approved BERC organogram.

E. Power Market Structure:

At present BPDB is functioning as **Single Buyer** and it will continue functioning except for some direct power purchase from small power producers by the utility. **Multi buyer/Competitive pool** may be adopted when the market becomes mature and stable.

F. Implementation and Monitoring Approach of Reform Program:

Implementation of the reform program is a very complicated and difficult task and requires well-organized, integrated and comprehensive plan and actions. It also requires close co-ordination, interaction and strong commitment of the Government, and other stakeholders.

A high level **National Steering Committee** has been formed. A **Task Force** has also been established and a **Working Group** has been formed in each utility to implement and monitor the power sector reform programs in a coordinated and comprehensive manner.

Year wise Targets

Year 2008 (January to December)

1. Study for conversion of BPDB into a holding company will be completed. The study will address corporate and organizational structure of proposed holding company, governance issues, relationship between holding company and subsidiaries, employee issues, institutional development and capacity building etc. Incorporation of BPDB holding company will be completed.
2. Corporatization of DESA will be completed and efforts will be made to improve performance including collection of revenues. All works related to appointment of employees, payment of service benefits etc. will be completed. Employment of all employees of the corporatized entity shall be governed by the company's service rules. All assets from DESA will be transferred to DPDC.
3. West Zone Power Distribution Company will be fully functional.
4. Management and staff appointment of North West Zone Power Distribution Company will be completed. New organizational structure will be prepared and starts functioning with a well-prepared business plan.
5. Study for institutional development of EGCB will be completed which includes addressing governance issues, preparation of business plan, drafting power purchase agreement (PPA) and Gas Supply Agreement (GSA) etc. O&M contractor will be appointed.
6. South Zone Power Distribution Company (SZPDC) will be incorporated. Board of Directors and top management will be appointed. Procurement process for large customer metering will be completed and installation of meter, CT, PT etc will start.
7. Central Zone Power Distribution Company (CZPDC) will be incorporated. Board of Directors will be constituted and top management will be appointed.
8. Power Sector Financial Restructuring and Recovery plan will be implemented.
9. Board of Directors for NWPGC will appointed. Qualified staffs will be recruited.
10. Installation of system metering for establishing commercial arrangement among the sector entities will start
11. 'Generation support framework and financing strategy' will be approved.
12. Energy Policy incorporating renewable energy will be updated and approved by the Government
13. Study on REB's Institutional Development will start.
14. Service regulations and organogram of BERC are approved and all Commissioners appointed.

Year 2009 (January to December)

1. Board of Directors of BPDB holding company and top management will be appointed. All works related to employee issues including payment of service benefits will be completed. Organization of Holding Company will start.
2. DPDC with new structure will be fully functional.
3. North West Zone Power Distribution Company will be operational.
4. Corporatization of SZPDC and CZPDC will be completed.
5. Business plan for NWPGC will be prepared.
6. Installation of system metering will be completed.
7. Study on REB's Institutional Development will be completed.
8. Corporatization of BPDB's remaining power plants into a number of generation companies under BPDB holding company will start.
9. Establishment of an independent entity to act as Single Buyer will be examined.

Year 2010 (January to December)

1. BPDB holding company with new structure will be fully functional.
2. Corporatization of BPDB's distribution segment into a number of distribution companies under BPDB holding company will be completed.
3. SZPDC and CZPDC will be fully functional.
4. Corporatization of BPDB's remaining power plants into a number of generation companies under BPDB holding company will continue.
5. An entity to act as a Single Buyer will be established.

Six Monthly Rolling Goals of Power Sector Reform

From January to June 2008				
No.	Outcome	Actions	Date	Responsibility
1.	Conversion of BPDB as a Holding Company	<ul style="list-style-type: none"> Final Report by the Consultants. 	June 2008	Power Division/ BPDB
2.	Corporatization of DESA	<ul style="list-style-type: none"> Asset transferred to DPDC 	June 2008	Power Division
3.	West Zone Power Distribution Company	<ul style="list-style-type: none"> Management Improvement 	Continue	WZPDC
4.	North West Zone Power Distribution Company	<ul style="list-style-type: none"> Preparatory works to make NWZPDC functional 	June 2008	BPDB /NWZPDC
5.	South Zone Power Distribution Company	<ul style="list-style-type: none"> Legal status* 	June 2008	Power Division/ BPDB
6.	Central Zone Power Distribution Company	<ul style="list-style-type: none"> Legal status 	June 2008	Power Division/ BPDB
7.	Institutional Development of EGCB	<ul style="list-style-type: none"> Draft GSA prepared 	June 2008	PC EGCB BPDB
8.	North West Power Generation Company	<ul style="list-style-type: none"> Appointment of Board of directors and top management 	June 2008	Power Division
9.	Implementation of Financial Restructuring Plan (FRP)	<ul style="list-style-type: none"> Interim Report 	June 2008	PC Utilities
10.	Installation of system metering for establishing commercial arrangement among the sector entities	<ul style="list-style-type: none"> Contract Signed 	May 2008	PC
11.	Preparation of generation support framework and financing strategy	<ul style="list-style-type: none"> Approval 	May 2008	Power Division
12.	REB's Institutional Development	<ul style="list-style-type: none"> Issue RFP for the appointment of the Consultant Proposal submission Proposal evaluation completed 	April 2008 May 2008 June 2008	PC/REB
13.	Indicative Performance Improvement Target: - Dist. Loss (%): 14.15 - Collections (%): 98.00 - CG Ratio ((%): 85.00 - Arrears(eqv. months) BPDB- 2.25 month DESA- 3.00 month	<ul style="list-style-type: none"> Implementation of Performance Target Achievement (PTA) Scheme SBU activity 	30 June 2008	PC Utilities

- SZPDC Incorporated on May 06, 2008

Six Monthly Rolling Goals of Power Sector Reform

From July to December 2008				
No.	Outcome	Actions	Date	Responsibility
1.	Conversion of BPDB as a Holding Company	<ul style="list-style-type: none"> Legal status 	Dec 2008	Power Division/ BPDB
2.	Dhaka Power Distribution Company	<ul style="list-style-type: none"> Employee issues resolved including service benefits Prepare new organizational structure 	Dec 2008	DPDC/ Power Division
3.	West Zone Power Distribution Company	<ul style="list-style-type: none"> Management Improvement 	Continue	WZPDC
4.	North West Zone Power Distribution Company	<ul style="list-style-type: none"> Prepare business plan Prepare new organizational structure 	Dec 2008	BPDB /NWZPDC
5.	South Zone Power Distribution Company	<ul style="list-style-type: none"> Appointment of Board of Directors Top Management appointment Start installation of large customer metering 	Dec 2008	Power Division/ BPDB
6.	Central Zone Power Distribution Company	<ul style="list-style-type: none"> Appointment of Board of Directors Top Management appointment 	Dec 2008	Power Division/ BPDB
7.	Institutional Development of EGCB	<ul style="list-style-type: none"> Final Report O&M contractor on board 	Nov. 2008 Dec 2008	PC EGCB BPDB
8.	North West Power Generation Company	<ul style="list-style-type: none"> Appointment of staff 	Dec 2008	Power Division/ BPDB
9.	Implementation of Financial Restructuring Plan (FRP)	<ul style="list-style-type: none"> Final Report 	Dec 2008	PC Utilities
10.	Installation of system metering for establishing commercial arrangement among the sector entities	<ul style="list-style-type: none"> Installation of System Meter starts 	Nov. 2008	PC/PGCB/BPDB
11.	Energy Policy Update	<ul style="list-style-type: none"> Approved by GOB 	Dec 2008	Power Division/ Energy Division
12.	REB's Institutional Development	<ul style="list-style-type: none"> Consultant on board 	Sep 2008	PC/REB
13.	Indicative Performance Improvement Target: - Dist. Loss (%): 13.50 - Collections (%): 98.50 - CG Ratio ((%): 86.00 - Arrears(eqv. month) BPDB- 2.10 month DPDC- 2.90 month	<ul style="list-style-type: none"> Implementation of Performance Target Achievement (PTA) Scheme SBU activity 	31 Dec 2008	PC Utilities

Six Monthly Rolling Goals of Power Sector Reform

From January to June 2009				
No.	Outcome	Actions	Date	Responsibility
1.	Conversion of BPDB as a Holding Company	<ul style="list-style-type: none"> • Formation of Board of Directors and appointment of Top Management • Employee issues resolved including service benefit 	June 2009	Power Division/ BPDB
2.	Dhaka Power Distribution Company	<ul style="list-style-type: none"> • Management improvement 	Continue	DPDC/ Power Division
3.	North West Zone Power Distribution Company	<ul style="list-style-type: none"> • Management improvement 	Continue	BPDB /NWZPDC
4.	South Zone Power Distribution Company	<ul style="list-style-type: none"> • Transfer of asset from BPDB • Resolve employee issues including service benefits • Appoint Large Customer Metering Consultant 	June 2009 June 2009 March 2009	Power Division/ BPDB/PC
5.	Central Zone Power Distribution Company	<ul style="list-style-type: none"> • Transfer of asset from BPDB • Resolve employee issues including service benefits 	Dec 2008	Power Division/ BPDB
6.	North West Power Generation Company	<ul style="list-style-type: none"> • Prepare business plan 	June 2009	NWZPGC
7.	Implementation of Financial Restructuring Plan (FRP)	<ul style="list-style-type: none"> • Implementation of the recommendations of the study in the utilities 	Continue	PC Utilities
8.	Installation of system metering for establishing commercial arrangement among the sector entities	<ul style="list-style-type: none"> • Installation of System Meter 	Continue	PC/PGCB/BPDB
9.	REB's Institutional Development	<ul style="list-style-type: none"> • Study completed 	June 2009	PC/REB
10.	Indicative Performance Improvement Target: - Dist. Loss (%): 13.00 - Collections (%): 99.00 - CG Ratio ((%): 87.00 - Arrears(eqv. months) BPDB- 2.00 month DPDC- 2.75 month	<ul style="list-style-type: none"> • Implementation of Performance Target Achievement (PTA) Scheme • SBU activity 	30 June 2009	PC Utilities

Six Monthly Rolling Goals of Power Sector Reform

From July to December 2009				
No.	Outcome	Actions	Date	Responsibility
1.	Conversion of BPDB as a Holding Company	<ul style="list-style-type: none"> • Organization of holding company according to new structure (suggested by the study) starts 	September 2009	BPDB/ Holding Company
2.	North West Zone Power Distribution Company	<ul style="list-style-type: none"> • Management Improvement 	Continue	NWZPDC
3.	South Zone Power Distribution Company	<ul style="list-style-type: none"> • Start functioning • Installation of Large Customer Metering completed 	July 01, 2009 August 2009	PC/BPDB/SZPDC
4.	Central Zone Power Distribution Company	<ul style="list-style-type: none"> • Starts functioning 	July 01, 2009	BPDB/CZPDC
5.	North West Power Generation Company	<ul style="list-style-type: none"> • Management Improvement 	Continue	NWZPGC
6.	Installation of system metering for establishing commercial arrangement among the sector entities	<ul style="list-style-type: none"> • Installation of System Meter completed 	Nov. 2009	PC/PGCB/BPDB
7.	REB's Institutional Development	<ul style="list-style-type: none"> • Implementation of the recommendations of the study 	Continue	REB
8.	Corporatization of remaining BPDB's generation units	<ul style="list-style-type: none"> • Preparatory works completed 	Dec 2009	BPDB/ Power Division
9.	Establishment of Independent Single Buyer	<ul style="list-style-type: none"> • Review of Power Market • Preparatory works completed 	Dec 2009	BPDB/ Power Division
10.	Indicative Performance Improvement Target: - Dist. Loss (%): 12.50 - Collections (%): 99.00 - CG Ratio ((%): 88.00 - Arrears(eqv. months) BPDB- 2.00 month DPDC- 2.65 month	<ul style="list-style-type: none"> • Implementation of Performance Target Achievement (PTA) Scheme • SBU activity 	31 December 2009	PC Utilities

Six Monthly Rolling Goals of Power Sector Reform

From January to June 2010				
No.	Outcome	Actions	Date	Responsibility
1.	Conversion of BPDB as a Holding Company	<ul style="list-style-type: none"> • Re-organization completed 	June 2010	BPDB Holding Company
2.	South Zone Power Distribution Company	<ul style="list-style-type: none"> • Prepare investment plan • Improve customer service 	March 2010 Continue	SZPDC
3.	Central Zone Power Distribution Company	<ul style="list-style-type: none"> • Prepare investment plan • Improve customer service 	March 2010 Continue	CZPDC
4.	Corporatization of remaining BPDB's generation units	<ul style="list-style-type: none"> • Implementation starts 	June 2010	Power Division/ BPDB Holding Company
5.	Establishment of Independent Single Buyer	<ul style="list-style-type: none"> • Implementation starts 	June 2010	Power Division/ BPDB Holding Company
6.	Indicative Performance Improvement Target: - Dist. Loss (%): 12.25 - Collections (%): 99.00 - CG Ratio ((%) : 89.00 - Arrears(eqv. months) BPDB- 2.00 month DPDC - 2.60 month	<ul style="list-style-type: none"> • Implementation of Performance Target Achievement (PTA) Scheme • SBU activity 	30 June 2010	PC Utilities

Six Monthly Rolling Goals of Power Sector Reform

From July to December 2010				
No.	Outcome	Actions	Date	Responsibility
1.	Conversion of BPDB as a Holding Company	<ul style="list-style-type: none"> • Improve co-ordination among the subsidiaries 	Continue	BPDB Holding Company
2.	South Zone Power Distribution Company	<ul style="list-style-type: none"> • Management Improvement 	Continue	SZPDC
3.	Central Zone Power Distribution Company	<ul style="list-style-type: none"> • Management Improvement 	Continue	CZPDC
4.	Corporatization of remaining BPDB's generation units	<ul style="list-style-type: none"> • Implementation continue 	Dec 2010	Power Division/ BPDB Holding Company
5.	Establishment of Independent Single Buyer	<ul style="list-style-type: none"> • Implementation complete 	Dec 2010	Power Division/ BPDB Holding Company
6.	Indicative Performance Improvement Target: - Dist. Loss (%): 12.00 - Collections (%): 99.00 - CG Ratio ((%): 90.00 - Arrears(eqv. months) BPDB- 2.00 month DPDC - 2.50 month	<ul style="list-style-type: none"> • Implementation of Performance Target Achievement (PTA) Scheme • SBU activity 	31 Dec 2010	PC Utilities