

# A clean, green energy pathway for Bangladesh

**POLICY BRIEFING** 9 November 2024

This policy briefing pertains to the report **‘Expensive LNG Expansion: How Foreign Gas Interests are a Climate Disaster for Bangladesh,’** co-published by Market Forces, Fossil Free Chattogram, Waterkeepers Bangladesh, and Dhoritri Rokhhay Amra (DHORA).

Bangladesh is at a crossroads with its energy future. It has the opportunity to shift direction away from expensive and polluting fossil gas imports that have caused an energy crisis with rolling blackouts. It can choose a pathway with clean, green, renewable energy that will protect the environment and allow the people of Bangladesh to enjoy cheap, affordable electricity.

We urge policymakers and the government of Bangladesh, foreign governments and the financiers and investors that play a crucial role in shaping Bangladesh’s energy future to:

- **Decrease dependence on imported fossil fuels like coal and liquefied natural gas (LNG)** subject to volatile international energy markets. Redirect funding to, and encourage technological advancement in clean, domestic renewable energy like solar and wind. Bangladesh has enormous renewable energy potential, with the capacity to install up to 240 gigawatts (GW) of solar power and 30GW of onshore wind.
- **Suspend all proposed LNG power projects and LNG import infrastructure plans.** Market Forces’ research reveals plans to build 41 new LNG power plants in Bangladesh, with a total capacity of 37.4GW. The massive proposed LNG expansion would come at staggering financial, environmental, health, and social costs to the Bangladesh community. If built, 1.3 billion tonnes of carbon dioxide equivalent (CO<sub>2</sub>-e) would be emitted over the Chattogram LNG power projects’ lifetimes, amounting to six times Bangladesh’s current annual emissions. There are mounting concerns over the human rights of women and local community members following violations in similar coal and gas power projects.
- **Revise the LNG-heavy Integrated Energy and Power Master Plan** written by Japanese government agency Japan International Cooperation Agency (JICA) and energy think tank Institute of Energy Economics Japan (IEEJ) for an alternate energy future that emphasises renewable energy. The current Master Plan would hamper the fast adoption of renewable power needed to reduce costs, threatening Bangladesh’s energy independence and climate goals for the following reasons:
  - The Master Plan overestimates future energy demand and relies heavily on coal and gas in the energy mix.
  - Expensive and economically unproven technologies with patchy decarbonisation credentials like hydrogen and ammonia, as well as carbon capture and storage, are misleadingly bundled under “clean energy”.

- Under the Master Plan's different economic growth scenarios, just 12–17% of Bangladesh's electricity would come from true clean energy in the form of wind and solar by 2050. The previous government of Bangladesh set far more ambitious targets to reach 100% renewable energy by 2050 in the Mujib Climate Prosperity Plan.
  - The Master Plan serves a small number of large Japanese corporations prominent in global LNG trade, gas power and hydrogen–ammonia business rather than benefiting the people of Bangladesh and its economy.
- **Redirect funds for the planned LNG projects to renewable energy and grid upgrades.** Planned LNG projects would cost an estimated US\$50 billion. The LNG power plants are estimated to cost US\$36 billion to build, and the LNG import facilities costing another US\$14 billion. In addition to these costs, by 2041, Bangladesh would face the additional burden and expense of importing LNG which would reach \$7–11 billion per year. The US\$36 billion capital expenditure required to realise Bangladesh's LNG power plans could instead fund 62GW of new clean, renewable power.
  - **Prioritise modernised grid and transmission infrastructure upgrades** that can support wide adoption of renewable energy projects. A modern grid can help balance demand and supply to ensure electricity is available where and when it is required most.
  - **Bangladesh must pursue domestic renewable energy over expensive and polluting imported LNG** and an energy plan tailored to the interests of foreign entities. A renewable–powered future would avoid billions in annual fuel costs, protect livelihoods, improve health outcomes, and ensure Bangladesh's energy security.
  - **Encourage foreign governments, multilateral financial institutions, donors, and private funders to support the technological advancement of grids and renewable energy power systems.** The Bangladeshi government could de–risk investments by ensuring competitive financial frameworks like power purchase agreements (PPAs) for renewable energy and other interventions to encourage large–scale investment without delay.

**Note:** We acknowledge the 7 October 2024 announcements to terminate the Floating Storage and Regasification Unit (FSRU) deal with Summit Power International and the 16 October 2024 announcement to terminate the deal with Excelerate Energy for their second FSRU. Our report findings remain valid as this does not confirm that the projects are cancelled.

