



## Power, Energy and Infrastructure Projects

Power, energy and other infrastructure projects are increasing exponentially in Bangladesh. A country requires its infrastructures to be sustainable, capable of catering to the ever-growing demand of power, energy, roads, bridges etc. Infrastructure projects can be undertaken under G2G; PPP (solicited or unsolicited) or non PPP (solicited or unsolicited) mode of procurement. Legal support is required at the procurement stage. (Please see Procurement, Bidding & Government Contracts).

Legal support is also required at different stages of the project, on different issues, for example, drafting various agreements, contracts, sub contracts, MOU, EPC Contracts, O & M Contracts, etc. Legal due diligence before commencement of work is strongly recommended. Clients often require services for obtaining various consents & permits for subsequent takeover or dispute resolution related services.



*Mr. Mohammed Forrukh Rahman was a legal consultant for Power Cell, Power Division, Ministry of Power, Energy and Mineral Resources for one and half year from 2007 to 2008.*



*"Their response times are excellent and they make you feel generally very well informed." - Chambers & Partners, 2019.*

*The 'very responsible, responsive and knowledgeable' Mohammed Forrukh Rahman heads the firm..."*

Rahman's Chambers is one of the leading law firms in providing legal services to power and energy sector for nearly a decade. The Chambers advises both government and government owned entities for whole range of their activities and also local and foreign companies engaged in generation of electricity. The Chambers expertise covers all legal aspects of power including generation, transmission and distribution and so on.

Our peers say about Mr. Rahman:

*"His association with the Ministry of power has exposed him to issues pertaining to power projects and general corporate laws."*

### Our Completed Works (Singly or Jointly with other Law Firms):

- Provided legal consultancy to a Bangladeshi leading group of company jointly working with a Korean company on a maritime distress & navigational system project.
- Acted as a lead counsel for Unitex LP Gas Limited involving design, supply of equipment, project management, supervision, erection and commissioning of liquefied petroleum gas (LPG) terminal plant and bottling facilities at Chittagong. We advised clients from the very inception of the project starting with project due diligence, framework agreement, EPC and other related contract drafting.
- Advised POWERCHINA Resources LTD. on implementation, legal due diligence, land acquisition, etc. for a 350 MW coal based power plant.
- Advised Electricity Generation Company of Bangladesh (EGCB) Ltd. on drafting several agreements for operation and maintenance (O & M) of 210 MW Siddhirganj thermal power station.
- Advised and also appeared as a counsel for a major power sector at different forums including arbitral tribunal, high court & lower court involving failure to ensure dependable & contractual capacity and associated liquidated damages involving a 105 MW diesel fired plant at Bheramara, Kustia and a 105 MW furnace oil fired plant at Noapara, Kustia.
- We have advised Union Resources on 1320 MW coal fired Power plant project.

- Legal due diligence and consultancy on a PPP based major 1320 (2 x 660) MW coal fired power project at Rampal between National Thermal Power Corporation (NTPC) and Bangladesh Power Development Board (BPDB).
- Takeover & due diligence of 450 MW gas fired combined cycle power plant from AES Meghnaghat Ltd and a 360 MW combined cycle gas turbine power plant from AES Haripur Ltd to a Malaysian group of companies.
- Resolution of Dispute between Power Division and Harbin Power Engineering Company Limited on 100 MW Simple Cycle Gas Turbine Power Plant involving execution of contract and return of Bank Guarantee.
- Legal consultant on an international Arbitration between Smith Co Gen. (BD) Ltd vs. BPDB and GOB on execution of foreign award passed by arbitral tribunal constituted under ICC rules involving failure to get consent and approval for power project & failure to arrange plant, financial closing, etc.
- Successfully handled Writ petition 3512/2009- Energy Prima Limited vs. BPDB, relating to a power plant contracted on rental basis, where complex claims over customs exemption as per Implementation Agreement, rights and liabilities arising out of force majeure, delay, liquidated damages etc. under PPA are litigated.
- Drafting Memorandum of Association & Article of Association of South Zone and Central Zone Power Distribution Company Limited.
- Legal due diligence to Velcan Energy Ltd a solar power company on a solar power project in Bangladesh.

Further details are provided **below**:

### Due Diligence

The due diligence involved preparing a legal register summarizing all consents and permits required for establishing infrastructure projects along with time requirements, expenses and related legal provisions. The due diligence process involved searching mortgage and securities created over assets of the power plant, searching the Company register etc.



### PPA, LLA, GSA, IA

Most infrastructure projects involve signing of several project related agreements, for example, for Power Projects – Power Purchase Agreement (PPA), and for most infrastructure projects – Implementation Agreement (IA), Gas Supply Agreement, Land Lease Agreement, etc. Such agreements are signed with Government, procuring authority and other government agency. legal advice is always required before signing such agreements.

## O&M and EPC

For major infrastructure projects the main contractor tends to delegate few major responsibilities by way of sub contracts and focuses mainly on arranging finance and supervising the overall execution of the project without delay. The sub contracts can be classified as Engineering, Procurement & Commissioning (EPC) and Operation & Maintenance (O & M). However, there may be several other sub contracts for different purposes.



## Consent & Permits

Obtaining all consents and permits in due time is the key factor which determines timely execution of the project within the commercial operation date. However, obtaining such consents & permits involves complexity for which expert legal service is required.

## Dispute Resolution

Disputes may occur at different stages of the project, before or after signing of agreement. Disputes which arise before signing contracts are by nature related to procurement issues (Please see [Procurement, Bidding & Government Contracts](#)). On the other hand, post contract signing disputes commonly arises for delay in financial closing, land procurement, obtaining consents & permits, providing performance guarantee, quality & failure to reach contractual capacity, etc. Legal advice is required at every stage of the project to avoid & resolve disputes.

## Our Related Clients:

- Velcan Energy Mauritius Ltd.
- POWERCHINA Resources LTD.
- POP Diesel Incorporation
- MPC-Bengal Power consortium
- First Security Islamic Bank Limited
- Power Cell (past)
- Power Division, Ministry of Power, Energy and Mineral Resources (past)
- Bangladesh Power Development Board (past)
- Dhaka Power Distribution Company Ltd.(past)
- Unitex Group
- Exterran Eastern Hemisphere FZE, UAE
- Electricity Generation Company Bangladesh Ltd.