

Source: My Republica, February 15, 2020

Dhunge Sanghu electric sub-station completes 10% work

TAPLEJUNG, Feb 15: The construction of the 220 KVA electric sub-station in Dhunge Sanghu, Maiwakhola Rural Municipality, has intensified in recent days. According to KEC International, the construction of the sub-station was started five months ago and 10% of the work has been completed so far.

The construction of the electric sub-station is compulsory to integrate the produced electricity and to transfer it for continuous distribution. According to Ranjit Miya, site in charge of KEC International, the work of constructing the building, filling, installing transformers and base works are going on. Miya informed that, on a daily basis 86 workers are involved in the construction work. Out of 86 workers, 32 workers are Nepali and the rest are Indians.

KEC International, an Indian company, has constructed electric sub-stations in Nepal, India and various other countries. According to Miya, manpower involved in this construction work has previously been involved in other successful work as well. "We have made plans to complete the construction of electric sub-station within December 2020 by involving local manpower," said Miya. Miya informed that if natural or any other obstacles does not occur then the construction of the electric sub-station will be completed on time and handed over to the concerned agencies.

According to KEC International, the electric sub-station is constructed in 500 ropani of land and the total cost of the project is Rs 3.84 billion. According to Miya, transferring the transformer to the under-construction sub-station requires a lot of manpower and is a tough task. "The transformer will be

brought from Mechi highway to Taplejung headquarters and from that point it will be brought to sub-the station construction area, which in itself is a big challenge,” said Miya.

The construction company has opened the track from Tellabung of Dhunge Sanghu. According to Miya, increasing the narrow track and upgrading it for transportation of vehicles was also completed by the construction company. The electricity produced from Sanima Middle Tamor Hydropower Project which has 73-megawatt capacity, Tamor-Mewa Hydropower Project which has 128 megawatts and electricity produced from various hydropower projects will be integrated in the sub-station and then continuously distributed.

Source: My Republica, February 15, 2020

Lack of Chinese manpower halts work at hydropower projects

KATHMANDU, Feb 15: The construction works of Khimti-2 Hydroelectric Project and Langtang Khola Hydroelectric Project (HEP) have come to a total halt as Chinese manpower have not returned to work due to the coronavirus outbreak in China.

The company had employed Chinese manpower for the construction of both projects. Project manager at Peoples Energy Limited, Ramhari Sharma said that, the contractor company is in contact with them but the widespread outbreak of coronavirus in China has prevented the Chinese workers from coming back to Nepal. The 48.8 MW Khimti-2 HEP has employed 500 Chinese workers and Langtang Khola HEP (33.5MW) has 200 Chinese working for the project.

The workers who left Nepal to celebrate the Chinese New Year on January 15 were scheduled to report back to their duty on February 3. "The work will resume only after their return," said Janardan Aryal, general manager at Peoples Energy Limited, "They have said that they will probably be back by the first week of March."

Khimti-2 is being developed in the border of Ramechhap and Dolakha districts and Langtang in Rasuwa. The projects are being constructed in Engineering, Procurement, Construction and Financing (EPCF) model that requires the contractors to be present in the project while the main construction takes place. According to the project, infrastructure development related works have been

completed and only the main construction awaits completion. "Detailed design is complete, construction of roads and transmission lines have been completed," Aryal told Republica, "Main construction: tunnel digging and excavation is left and the manpower to do that is stuck in China."

The Khimti-2 project is being built with an investment of US dollar 88 million and for Langtang, the estimated cost for the development of the project is US dollar 33.5 million. Khimti-2 was contracted in 2018 whereas the contract for the Langtang Khola HEP was signed in 2017. The company is set to complete the projects by 2021, however, the delay in the construction is expected to stretch the completion date. Aryal said that the projects can be pushed back by six months. "The project thus will be completed in 2022."

Khimti-2 is being constructed by Peoples Energy Limited and Langtang Khola HEP is being constructed by Multi Energy Development Pvt Ltd. The contracts for both the projects were awarded to a Chinese company, Chongqing Water Turbine Works (CWTW).

Source: My Republica, February 16, 2020

CIAA stresses need to revise public procurement laws

KATHMANDU, Feb 16: The Commission for the Investigation of Abuse of Authority (CIAA) has stressed on the need for revising the existing Public Procurement Act to address the problems seen in the timely construction of the infrastructure projects.

Unveiling 'Study and analysis report of sick contracts 2019,' the anti-graft body through its study conducted last year, starting from mid-January 2019, has identified that the public procurement process still is the most vulnerable stage for corruption during the entire cycle of project completion. According to the report, both the pre and post public procurement process, besides contract management and construction phase, are subjected to high risk for corruption that has largely affected the timely construction of infrastructure projects.

The CIAA study has identified 1,848 contracts related to seven ministries to be sick. The projects were considered sick because they were not completed even after their completion deadline expired before December 2017, with some having remained idle for the last 8-9 years. The combined value of the contracts stand at Rs 118 billion.

According to the report, larger proportion of the government capital fund is utilized through public procurement process. Collusion on specification of the projects and preparing the bases of eligibility and assessment criteria, not to work properly as per the working guidelines, rejection of the compensation amount stated in the agreement, seeking high amount than the prescribed amount, failing to test quality, and manipulating the result of quality tests are

among the underlying problems in the sick projects. “The commission has received large number of complaints mainly in these issues, reads the CIAA report.

“To address the loopholes in the existing laws, the commission has sought amendment in Public Procurement Act and related regulation,” the report says.

In the study conducted last year, the CIAA has pointed out 906 projects in sorry state, the largest number among all. Likewise, 442 urban and building constructions, 235 energy and irrigation related and 91 water resource and electricity production and distribution-related projects were sick. Similarly, 37 such projects are related to civil aviation, 23 are related to information technology, 97 are related to local infrastructure and federal affairs and 17 are of drinking water and sewage management.

On the other hand, 618 projects worth Rs 4.70 billion were successively completed during the review period. Likewise, 1,202 contracts worth Rs 8.64 billion are in different phases of their construction. The report shows that Nepal Telecom has been duly putting its effort in management of the ailing contracts under its jurisdiction.

Based on the study, the CIAA has recommended mainly the Ministry of Physical Infrastructure and Transport, Department of Road, Ministry of Urban Development and Department of Urban Development and Building Construction, Ministry of Energy, Water Resources and Irrigation, Department of Water Resources and Irrigation and Nepal Electricity Authority to take serious concern to recoup most of the non-performing contracts.

Source: My Republica, February 16, 2020

12 years on, Darkhe Khola hydro project still incomplete

MUGU, Feb 16: Darkhe Khola Laghu Hydropower Project of Chhayanath Rara Municipality-14 still awaits completion twelve years since construction began for the project. In 2007, Darkhe Khola Laghu Hydropower Project with 19-kilowatt capacity began construction for the residents of three villages of Chhayanath Rara Municipality-14 with the help of the District Energy Department but the work stopped in the final stages of the project due to lack of funding.

According to Chankha Baduwal, chairperson of Darkhe Khola Laghu Hydropower Project Consumers Committee, under the Development Committee Office of Sabik district, the District Energy Department had asked the locals to provide funds for the project and help in the construction work as well. The construction of the project was halted as the locals could not collect Rs 2.92 million to fund their share of the cost of the project.

With the help of residents of Chhayanath Rara Municipality, various institutions and the energy department were able to provide funds worth Rs 9.5 million but the work has not been completed so far.

According to the local residents, 95% of the construction work has been completed but lack of interest from concerned agencies and stakeholders are to be blamed for not carrying out the pending work.

According to Nanda Lal Baduwal, chairperson of Chhayanath Rara Municipality-14, the power house is in a sorry state and the machines have rusted while

poles are scattered around the construction site. Baduwal is optimistic that the project will soon be completed as the technicians from the Alternative Energy Office, Kathmandu had recently visited the site for inspection. The technicians had informed the local residents that if the electricity cannot be produced from the site then they will distribute 200-kilowatt solar energy.

“We had thought that the production of electricity will keep us far from darkness but I have little hope that we will have electricity in our house,” said Kanna Bire Baduwal, a 65-year-old local resident of Chhayanath Rara Municipality. 300 households are still waiting for electricity for more than a decade.

Source: My Republica, February 17, 2020

How hydro companies are cheating shareholders

People who invested in hydropower shares are in debt

BHATTEDANDA, LALITPUR, Feb 17: Anil Syangten, a farmer of Bhattedanda village in Lalitpur district, borrowed Rs 100,000 at 24 percent interest from a local moneylender three years ago and invested in shares of Khanikhola Hydropower Co Ltd (KKHC). He was one of the hundreds of investors who believed that investment in initial public offering (IPO) of a hydropower project was like buying gold.

Syangten, who sells surplus milk and vegetables for a living, is yet to recoup his investment. He had to use all his savings of the last two years to pay back the loan and interest. "The stocks have now emptied my pocket and I have no savings at all," said Syangten. The poor farmer from Khanikhola of Lalitpur repents that his investment has gone to waste. The stock price of the 6.36 MW project has lost 30 percent of its value, and the dividend he receives is paltry.

He is among several families in Bagmati Rural Municipality who regret borrowing money at a high-interest rates and squandered their investments. Syangten is also identified as a 'project-affected families' by the project, as his house is close to the intake structure. These families are eligible for preferential rights or claims to project benefits and more IPOs were accordingly allocated for them.

Almost every household in the three VDCs – Bhattedanda, Ikudol, and Shankhu – (currently Bagmati Rural Municipality) had pinned their hopes on the

hydropower project in their area. Three years on, no one knows why they haven't received the promised return on their investments.

In 2008, the government introduced a policy to allocate a minimum of 10 percent of equity shares to the project-affected communities. The policy was designed to share benefits among local people as well as thwart possible local obstacles in project implementation. This policy has failed to meet its intended goal as exemplified by the case of KKHC.

The company collected Rs 46.57 million from project-affected communities in the district alone while the general public across the country poured an additional Rs 93.1 million.

The company blames the Nepal Electricity Authority (NEA) for its lackadaisical performance in building transmission lines. The chair and executive director of KKHC, Bijay Man Sherchan, said the NEA did not compensate the company for lack of power lines, which affected the company's financial health. He said, "Most of the electricity during the rainy season is wasted because the NEA has yet to build transmission lines to evacuate power." The NEA had promised to buy power from the project while signing the power purchase agreement (PPA), according to him. NEA owes Rs 250 million to the KKHC, according to the company executives. Sherchan added, "If NEA had paid that amount to us, we could be in a position to pay a minimum of 10 percent dividend to our shareholders every year."

Work on the transmission line being built by the company itself to transmit energy to NEA's nearest substation is in the final stages, Sherchan said.

NEA's Managing Director Kulman Ghising, meanwhile, said they could not build the transmission line due to obstruction by locals.

Responding to the public calls for investment in hydropower companies, many have invested their hard-earned savings in IPOs. Though the provision for companies to allot 10 percent equity shares to locals had been introduced with good intentions, it turned out to be a nightmare for many.

Lata Devi Bhattarai Paudel, a resident of Putalisadak, Kathmandu, also regrets investing in hydropower stocks. From 2010 to 2015, she had queued up for hours to apply for IPOs of difvarious hydropower companies but has gained nothing. She has instead suffered losses worth about Rs 10,000.

The market value of the stocks of seven hydropower companies — Universal Power Company Ltd, Kalika Power Ltd, Mountain Hydro Nepal Limited, Panchakanya Mai Hydropower Ltd, Rairang Hydropower Development Company Ltd, Chhyangdi Hydropower Ltd —she owns are less than the face value. Her Rs 50,000 investment in those companies is now worth less than Rs 40,000.

The story of KKHC is not unique. Seventeen (see graph) out of the 31 hydropower companies listed at Nepal Stock Exchange have failed to pay any dividends to their shareholders. The market price of all these companies is below the face value or the amount they invested while buying the IPOs.

Most of these IPOs were oversubscribed, by over a dozen times, when floated in 2015 and 2016. Now, nobody is interested in investing their money in hydro stocks.

Even the media reported the stories on these IPOs without deeper analysis of the companies and their projects. Energy ministers repeatedly asked people to invest in those stocks without considering profitability. Minister for Energy Barshaman Pun last year stated that those who own hydropower shares may find good brides. "All these statements are misleading and have proven costly to many people like me because they are making us poorer instead of helping us become rich. We have been betrayed," Paudel said.

The rush for started with the success of Chilime Hydropower Company Limited, which was given a favorable electricity price by the NEA. According to a study titled "Local Shares: An in-depth examination of opportunities and risks for local communities seeking to invest in Nepal's hydropower projects", commissioned by International Finance Corporation (IFC) and Australian Aid in 2018, local communities who invested in hydropower shares expected lucrative gains like many shareholders of Chilime, but the lack of financial literacy among the investors coupled with the lack of governance in the sector posed high risks.

Chilime, whose electricity was given higher price rates by the NEA because the NEA staffers themselves were investors in the company, has already distributed 292 percent dividends — 117 percent cash and 175 percent bonus dividends.

The number of applicants subscribing for hydropower shares has gone down dramatically over the past one and a half years, mainly due to the oversupply of shares. However, the government in May last year promoted the idea of investing in hydropower in its flagship initiative called the 'People's Hydropower Program' and asked commoners to pour their money in Trishuli Jal Vidhyut Company Limited, which is building the 37 MW Upper Trishuli 3B Hydropower

Project. But the people have not been informed about the possible risks associated with the shares.

The IPOs allotted for locals have gone under-subscribed and the general public's craze for subscriptions has dwindled, according to applications received on IPO floated in recent years.

The government has tricked people into oversubscription by allowing the company (under the flagship program) to issue IPO without a third-party rating, which is mandatory for all other private companies, according to critics. "Commoners are deprived of their right to know about the financial health of the company. Therefore, their investment is at risk," said Kumar Pandey, vice-president of the Independent Power Producers Association, Nepal.

Pandey acknowledged that shareholders were not earning as shown by the balance sheet of most hydropower companies except Chilime and Butwal Power Company.

Pandey, who is also the chairman of the National Hydropower Company (NHPC), blamed the ever-increasing cost of hydropower projects to the lack of profits on hydropower shares.

The NHPC, which has been running the 7.5 MW Indrawati III project since 1999, has not paid its shareholders even a single penny as dividend for over a decade, mainly due to lack of good governance in the company. Pandey said, "We are suffering heavy losses after the government inadvertently terminated the license of the Lower Indrawati project."

But experts and investors disagree with Pandey. According to them, the hydropower companies hide their costs until the issuance of IPOs, which is in fact much higher than shown on their documents. Moreover, the promoters do not really invest the amount they commit; rather they inflate the project and adjust their investments in that inflated amount.

Chhote Lal Rauniyar, vice-president of Nepal Investors Forum (NIF), said costs are inflated by 20 percent to 60 percent. Normally, the cost of the construction of hydropower is calculated at Rs 150 million per megawatt (MW), but this price is heavily inflated to help promoters pocket a hefty sum by the time the project is completed.

“Only a few hydropower companies are paying dividends. Many have nothing to distribute although the projects are operating normally because promoters have gotten their projects financed from the banks at inflated costs. And inflated costs have eaten into the profits that the investors would get,” explained Rauniyar. He, however, did not specify the names of the companies involved in such wrongdoings.

The NIF and other professional bodies of investors have put pressure on the Electricity Regulatory Commission (ERC), the regulator in the hydroelectricity sector, to control these anomalies. The ERC started its work in June this year. “The regulator should check bogus companies entering the sector and protect IPO investors who are mostly housewives, students, civil servants, and low-income people,” said Rauniyar.

Rauniyar suggested most hydropower developers exaggerate progress in their project works. He claimed that most such developers try to show, by posting fake figures, that half of their work has already been completed. The Security Board of Nepal (SEBON) allows the company to issue IPO, according to him. "The developers and the SEBON collude to cheat people in investing in those fake projects," he said.

A 2018 report on local shares also suggests a need for better regulation of the sector, among other things. The report says, "The best way to engage local communities is by increasing their understanding of how the capital market works and the fundamentals of the hydropower company in which they are about to invest. Effective regulation of the hydropower companies by the recently established Electricity Regulatory Commission is also needed."

Director-General of the Department of Electricity Development, Nabin Raj Singh, admitted that the hydropower companies were not earning a profit, with investors getting zero or paltry dividends because of the problem surrounding the cash flows of the companies. "Their cash flows have been hit by the variation in river flows, which is caused by climate change," he said. Singh, however, said the government was aware of the problem faced by small-scale hydropower projects and was set to decide on this issue in the near future.

About a million people have poured in

Rs 5.18 billion in the 456 MW Upper Tamakoshi (which is expected to start power generation next year after delays of four years and near-double cost overrun). When the project was launched, it was regarded as a highly lucrative investment. Delay in the project by just one year in FY 2018/19 has alone

incurred a cost overrun of about Rs 20 billion taking the project's cost to Rs 69 billion. The cost overrun was caused by several issues including interest on loan, loss of income, damage caused by the 2015 earthquakes and the Indian blockade. The estimated cost of the project in 2011 was Rs 35.29 billion (excluding bank interests). These delays are eating into the profits of shareholders.

Arjun Gautam, a chartered accountant at the Employees Provident Fund, which has financed Rs 10 billion in Upper Tamakoshi, said, "The project's internal rate of return on equity was set at 15 percent, but the IRR has now declined to 12 because the cost of the project has also gone up with the interest amount of interest on loans, loss of income and the project license period gradually getting shorter." The project has 35 years of license, which expires in 2055 AD.

Many investors do not know why they are losing money even on the IPOs, which were regarded as the safest portfolios for people. Poor farmers in Bhattedanda didn't have any idea why they were not getting returns. Kulman Ghising, NEA's managing director, said the price NEA has been paying to private companies covers about 17 percent rate of return on an average. To put it simply, an investment of Rs 100 in hydropower companies fetches Rs 17 annually on average. This average return may vary, but no return for several years means the projects are cheating the ordinary shareholders, according to Ghising.

No companies except for Chilime and Butwal Power Company have distributed a minimum 17 percent dividends in any year. NEA favored Chilime project in electricity price while Butwal Power Company got all its financing through

Norwegian grants in its major power plants--Adhikhola and Jhimruk. Both promoters and general shareholders also get an equal percentage of returns. Experts ask why promoters are building power plants if there are no returns.

Deepesh K Vaidya, managing director and founder of Kriti Capital and Investment Limited, investment management and consulting firm, says it is difficult to answer the question. "This is because there is no policy of paying for efficient management and this has forced hydropower developers to opt for secret ways to extract benefits," he said.

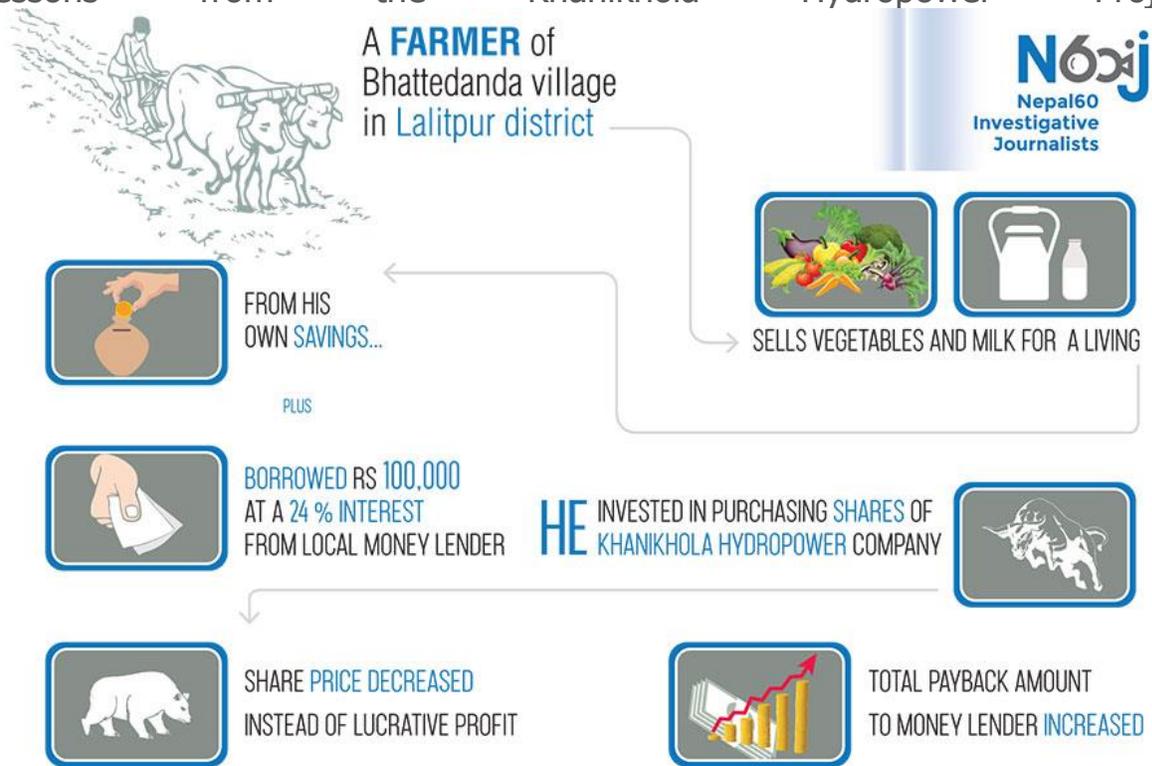
Longer payback period and long gestation period, lack of good management and high investment costs are the reasons behind the failure to lure investors to the sector, Vaidya said.

Despite such dismal performance of hydropower projects, the government has initiated the 'People's Hydropower Program,' and intends to collect Rs 100 billion from the general public over the next five years. The government has set 21 projects in line for the purpose and the projects are supposed to generate 3,500 MW in total.

Moreover, there are several private companies eyeing the public's coffers.

"No matter what the government and private companies offer, people know that investment in hydropower is a risky business," said Rauniyar. Experts suggest that the government should come up with strategies to minimize risks of the investments through proper regulation by the commission. Guru Prasad Gautam, Syangten's neighbor, is tired of paying interest on the loan borrowed to invest in shares. "We will no longer throw hard-earned money into the river

(hydropower stocks),” Gautam said, adding that he has already learned his lessons from the Khanikhola Hydropower Project.



This story was written under the investigative reporting fellowship offered by Media Foundation, with support from Humanity United.

Source: My Republica, February 17, 2020

NEA saves Rs 10b by reducing electricity leakage

KATHMANDU, Feb 17: Nepal Electricity Authority (NEA) has reduced the electricity leakage by 9.75% in the first six months of the current fiscal year, down from 11.28% that persisted in the last fiscal year. The NEA set a target to reduce electricity leakage to 8.5% in this fiscal year.

According to Kulman Ghising, managing director of NEA, said that the authority has saved Rs 10 billion annually after controlling electricity leakage. The country was facing 25.75% leakage in Fiscal Year 2015/16 which was later reduced to 15.32% in Fiscal Year 2018/19.

NEA has said that the target set for this fiscal year will be met in the remaining six months. Ghising mentioned that the curbing of load shedding and regular electricity supply, and control in technical and non-technical leakage have helped NEA to reduce electricity leakage. "To control non-technical leakage, we have controlled theft, strict dues collection, decided to take action against those involved in electricity theft through hooking and meter bypass, and for technical leakage, we have carried out works like upgradation of the capacity of substation, addition of conductor, change of overload transformer and encouraged the usage of three phase meter," he said, adding: "All these factors have contributed to the control in electricity leakage."

Mentioning that even developed countries have an average of 5% leakage rate, he said, after under-construction substations for transmission and distribution come into operation, NEA will be able to maintain the average leakage rate to that of developed countries.

Hararaj Neupane, chief of Planning and Technology Service Department of NEA informed that the authority has invested Rs 500 million to control electricity leakage. "Distribution centers across the country have been running unique campaigns in coordination with local level and administration to control it," he informed.

Minister for Energy, Water Resources and Irrigation, Barsaman Pun has directed the NEA management to control financial and administration malpractice and bring improvement in its service. The provincial office at Bagmati Province that contributes 28% share in NEA's income has reduced the leakage to 7%. It was 7.40% in the last fiscal year. The office has set the target of reducing the leakage to 5.77% in this fiscal year. There are 20 distribution centers under the office.

Province 2 collects the second-largest share of dues and the leakage has been maintained at 14.34%, down from 15.48%. The provincial office at Janakpur which has 23 distribution centers is supposed to bring the leakage rate down to 10.97%.

Similarly, Gandaki Province had 10.43% leakage in the last fiscal year which has been limited to 8.75% in the current fiscal year. The NEA has set the target to reduce it to 7.90% in this fiscal year. The leakage rate for Province 5 is 9.93%, down from 12.36%.

Likewise, Karnali Province has brought the leakage rate down to 14.98% and Sudurpashchim Province has reduced the leakage to 8%. The rates were 19.90% and 14.39%, respectively in the last fiscal year.

EIB to support Rs 12.41 billion for system upgrades and expansion

The European Investment Bank (EIB) is providing Rs 12.41 billion loan assistance to Nepal for the implementation of Electricity Distribution System upgradation and expansion project. The government and representative of the bank signed the agreement last week.

The project is being carried out with an objective to increase the access of electricity to people from Province 5, Karnali and Sudurpashchim Province, and improve the electricity supply quality, qualification and easing energy trades. The project implemented by the Nepal Electricity Authority (NEA) has set the target of completion by December 2023.

33 kV supply lines and 33/11 kV substations will be built under the project. The project will also build distribution transformers, minimum voltage supply lines and run programs for the development of human resources for the project.

The government has said that it has carried out dialogue with the Asian Infrastructure Investment Bank (AIIB) for partnership to fulfill the insufficient fund worth US\$ 112.3 million for the project.

Source: My Republica, February 18, 2020

NEA begins first phase of underground electricity distribution system

KATHMANDU, Feb 18: The Nepal Electricity Authority (NEA) has started its first phase of the underground electricity distribution system by laying underground power wires in Kathmandu. The first phase of the project will begin with works in areas under Ratnapark and Maharajgunj distribution center.

The inception of the underground electricity distribution system, its enhancement and automation project was inaugurated by Prime Minister Khadga Prasad Oli in Kathmandu on Monday. A 250 kilometers long optical fiber will be laid underground and 250-km 11,000 voltage underground line and 400-km 400 voltage underground line will be constructed in Baluwatar, Panipokhari, Budhanilkantha, Tokha, Gongabu, Samakhusi, Maharajgunj, Dhapasi, Basundhara, Shivapuri, Chunikhel, Sukedhara, Dharmasthali and Teaching Hospital that fall under the Maharjgunj distribution center.

Similarly, 200 kilometers long underground optical fiber will be laid along with the construction of 200-km 11,000 voltage underground line and about 400-km 400 voltage underground line in places including Ratnapark, Bagbazar, Putalisadak, New Road, Anamnagar, Jamal, Lainchaur, Thamel, Sorhakutte, Naya Bazar, Khusibu, Tripureshwor, Teku, Thapathali, Maitighar, Singhadurbar, Naxal, Lazimpat, Airport, CHabahil, Boudha, Jorpati under the Ratnapark distribution center.

The underground wiring system is considered safe, reliable and maintains beautification of the city in comparison to existing overhead distribution system.

Stating that the distribution system of Kathmandu is not in a condition to hold the increasing electricity demand and the government has reached its limit to construct more overhead lines, Kulman Ghising, managing director of NEA, said that there is no alternative to this project for the transformation of the electricity distribution system. The project will deploy horizontal directional drilling technology to dig the roads in order to have minimum damage and impact on pedestrians. The damage done by the project will be recovered in 10 days.

Speaking at the inauguration program, Prime Minister Khadga Prasad Oli said that the underground electricity and telephone wiring project will have a huge contribution in beautification of the city as it will remove all the tangled wires hanging by the overhead of roads. "The generation of electricity has doubled and Nepal will establish itself as a power supplying country in the future," he said, "The construction of transmission line with MCC fund will help in the evacuation of electricity to other countries."

Mentioning that the recent growth in electricity consumption, he said that the rate will be further widened in the future. He asked the contractor to complete the project within the stipulated timeframe.

According to NEA, along with laying underground distribution line, it has started programs to lay underground transmission lines. As the project will also lay optical fiber, internet, telecommunication, and cable television service providers can use it to provide service to consumers.

Minister for Energy, Water Resources and Irrigation, Barsaman Pun, said that 88% population has access to electricity and the government has plans of expanding it further. "Now Nepal will focus on modernization of electricity

supply and will also develop a strong presence in the regional power market," he said.

The project is being carried out with an estimated investment of Rs 7 billion. KEI Industries Limited, an Indian company, was awarded the contract in March, 2019 and the project completion date is October 2021.

Concessional loan from the Asian Development Bank and investment from Nepal government and Nepal Electricity Authority (NEA) will be used for the project.

The government has called for tender for the second phase to lay underground wire in rest of the areas of Kathmandu district. Under the second phase of the project, a 400-km optical fiber will be laid underground and also construct 250-km 11,000 voltage underground line and around 240-km 400 voltage underground line.

The authority has stated that the contractor company has started installing smart meters in 100,000 households. NEA plans to replace three-phase energy meters with smart meters in a year.

Source: My Republica, February 18, 2020

Govt working to provide electricity to country's every household within two years, says Energy Minister Pun

KATHMANDU, Feb 18: Minister for Energy Barshan Man Pun on Tuesday said that the government is working to provide electricity to every household of the country within two years.

Responding to the queries raised by the parliamentarians during the meeting of the House of Representatives, Minister Pun said that 88% households are currently connected to the national electricity grid. He also said that the government has already removed 30,000 wooden utility poles.

According to him, there are currently 400,000 wooden utility poles across the country. "We are working to remove more wooden utility poles in coordination with provincial and local governments in the days to come," the minister said.

Pun said that the government has not awarded anyone to construct Budhi Gandaki Hydropower Project.

"The Budhi Gandaki Project will be awarded once the land acquisition and compensation process is over," he said. Minister Pun, who is also the in-charge of country's irrigation, said that the government is working to provide irrigation facilities to 90% arable land within the Fiscal Year 2080/81.

Source: My Republica, February 21, 2020

Kaligandaki 'A' hydropower station shut down for three days

KATHMANDU, Feb 21: Kaligandaki 'A' hydropower station at Mirmi, Syangja, Nepal's biggest half-reservoir hydropower project, has been shut down for three days from today for repair and maintenance, said the Nepal Electricity Authority.

Repair started on Thursday at 11 pm after halting electricity production, after the main inlet valve started leaking water, said NEA's executive director Kulman Ghising. The 144 megawatts hydropower project produced average 58 megawatts electricity at present due to receding water level in the Kaligandaki river. It had been facing operation halt for repair every year.

Power generated from the station was being supplied towards Pokhara and Butawal. As a result, electricity supply to industries in western parts might be cut at the peak hour in the evening, he said, adding that a 37-member technical team has been mobilised for repair.

Source: My Republica, February 22, 2020

Kaligandaki 'A' to shut down for 3 days for maintenance

KATHMANDU, Feb 22: Kaligandaki 'A' Hydropower Center, under the ownership of Nepal Electricity Authority (NEA), with a capacity of 144 megawatts, will be closed for maintenance for three days. The first unit powerhouse of Main Inlet Vulb-MIV faced leakage of water from 11 pm on Thursday. The production of electricity has been halted due to the leakage.

The powerhouse of Mirmi, Syangja has three units of 48 megawatts each. Maintenance of one unit requires closure of the other units, so the production of electricity was halted. The electricity produced from the center is transferred to Pokhara and Butwal.

According to Kulman Ghising, executive director of NEA, after the production of electricity is stopped, industrial customers of the western region may face power cut during evening peak time.

"As the demand of electricity is low during holidays, we are doing maintenance during the holidays. The flow of water has increased and the production of electricity from other powerhouses has increased as well. We are working to make sure that customers will not face problems in the supply of electricity," said Ghising.

Source: My Republica, February 22, 2020

Bheri-Babai Diversion Multipurpose Project completes 40% work

SURKHET, Feb 22: The National Pride Project, Bheri-Babai Diversion Multipurpose Project has completed 40% of the construction work. The construction project was started from 2004 to divert the water of Bheri River to Babai and provide irrigation facility to 52,000 hectares of land of Banke and Bardiya districts and also produce 48-megawatt electricity. The construction of the 12.2 kilometers long tunnel was constructed with the use of Tunnel Boring Machine (TBM) for the first time in Nepal. Under the second package of the project, the dam and powerhouse will be constructed.

Minister of Energy, Water Resources and Irrigation, Barshaman Pun had inaugurated the construction of the dam and powerhouse under the second package in December, 2019. "For the construction of the dam in Chiple, diversion of water is going on," said Krishna Upadhyaya, information officer of the project, "Likewise, the powerhouse is being constructed in Babai."

According to Upadhyaya, through TBM, the finishing of the tunnel is in its final stage. "In total, 40% of the construction work is completed," he said, "The construction work will be completed on time as the work is carried on according to the target." The Department of Irrigation had signed a contract with Raman-Wangden JV for Rs 6.1 billion in August, 2019.

China Overseas Engineering Group Company (COVEC) completed the construction of the 12.2-kilometer tunnel with TBM from Hattikhola to Chiple, a year before the deadline. Prime Minister Khadga Prasad Oli announced the

break-through in a program organized in April, 2019. Raman-Wangden JV has established camps in two different places for the construction of the dam in Chiple, powerhouse in Babai and surge shaft. For the construction of the dam, 100,000 cubic meters of concrete is required and 50,000 cubic meters of concrete is required for the powerhouse. The construction company has established a crusher industry in Chiple and has started producing concrete. Ram Shrestha, field head of Raman-Wangden, stated that the construction work will be completed on time.

According to Sanjiv Baral, project head, along with the construction work of the dam and the powerhouse, the work under the hydro-mechanical and electro-mechanical parts will also be completed together.

Chiple of Bheri River is 114 meters long and 14 meters long dam will be constructed. The project will be completed within 2023 with the cost estimated at Rs 33.1 billion. According to the project officials, the country will earn profit of Rs 3.1 billion from agriculture and Rs 4 billion from electricity annually after the completion of the project.

Vice president inspects project

Vice President Nanda Bahadur Pun has inspected the Bheri-Babai Diversion Multipurpose Project. The vice president observed the work progress of under-construction dam and barrage of the national pride project at Chiple of Bheriganga municipality. During the inspection, he said that the project should be developed as a model project. Pun expressed his happiness on construction of the tunnel before the deadline and the work being forwarded according to the target. Project chief, Sanjiv Baral apprised the vice president about the

progress of the construction work adding that 40 percent of the work has been completed so far. The project is expected to be completed within 2023.