Source: The Kathmandu Post, September 14, 2020

Solu corridor transmission line project deadline extended for the fourth time

The state-owned power utility Nepal Electricity Authority has decided to give more time for the completion of the Solu corridor transmission line project in the wake of the ongoing restrictions to fight Covid-19.

However, the private power producers said that while the project contractor agreeing to complete the transmission line project by December was good, it does not look realistic and that could make things more uncertain.

The 132 kV transmission line project completion deadline has been extended until December 30, the fourth extension so far, since work on the project started in 2016.

The Independent Power Producers' Association Nepal said that the project cannot be completed in the four months given the current situation and also the upcoming festive seasons.

"It's an important project and should be completed on time but there should not be uncertainties to the project which has already been delayed," said Ashish Garg, vice-president of the association. "It's not a realistic extension. Frequent changes in the deadline will make things uncertain. The electricity authority should have come up with a realistic extension deadline."

The extension will force the Upper Solu Hydroelectric Project in Solukhumbu district developed by private power producers to incur more losses as around 23.5 megawatts of energy it churns out is going to waste due to a lack of transmission line connecting it to consumers. The project had started to generate energy on February 20.

As per the power purchase agreement, the electricity authority has to pay fines amounting to 45 percent of total losses caused by spillage of power from those projects in absence of transmission infrastructure. "But unfortunately, the Nepal Electricity Authority has not compensated the producer," said Garg. "It's a failed promise."

Janardan Gautam, chief of the Solu corridor project, admits that the December deadline still looks uncertain. He said that a mid-April deadline for next year was more realistic. “But we are doing our best to finish the project on time.”

“The spread of coronavirus has not only disrupted the supply chain of components used in projects but has also impacted the availability of the workforce,” said Gautam.

“It’s a tight deadline given the difficulties to mobilize workers.” Recently, the project contractor brought 31 workers but there is a requirement for 200 staff. “The contractors need to conduct PCR tests on workers and put them in quarantine for 14 days after they are brought to the project site.”

The project is funded through government investment and a concessional loan from Export-Import Bank of India. The Nepal Electricity Authority had awarded the contract to the Indian contractor Mohan Energy in March 2016. The 30-month project became effective on September 25, 2016 with the completion deadline set for March 24, 2019. The project deadline, however, was extended by 10 months until January 2020. It was again extended by 4 months until May and another 45 days until mid-July.

The project envisages building 302 transmission towers and installing 132 kV double circuit cables to evacuate power from hydropower plants in Solukhumbu and the surrounding region to eastern Nepal and the national grid.

The contractor has so far finished foundation works of 285 towers out of 302 transmission towers. According to Gautam, 204 pylons are upright along the 90-km-long route of the distribution infrastructure in Siraha, Udaipur, Okhaldhunga and Solukhumbu districts. “Still, 98 pylons are yet to be erected,” he said.

Lack of a proper transmission infrastructure had worried the promoters of under-construction independent hydel plants in Solukhumbu over possible spillage of electricity. The promoters complained that delays by the power utility in executing the project in the stipulated time would translate into losses amounting to millions of rupees.

Tower construction works have not begun in Udaypur district owing to obstruction by locals of Maruwa Harit Community Forest in Katari. The project has planned to install 12 transmission pylons in the community forest

area. “The mayor of Udaipur had assured us that all issues would be cleared. It has been two years since the assurance was made but so far nothing has been sorted out,” said Gautam.

The country experienced an acute energy crisis at the beginning of 2010, with daily power cuts lasting almost 16 hours, and this continued to be a major problem in the following year. This prompted the government to announce an ‘energy emergency’ which lasted four and a half years.

At that time, the government had planned to generate 2,500 megawatts. The private sector was tasked to generate electricity through six hydropower projects, named the Super Six, on the Solu River, which together would produce 217 megawatts.

The Nepal Electricity Authority signed power purchase agreements with the Super Six and five of them—82 MW Lower Solu, 23.5 MW Upper Solu, 18 megawatt Beni Hydropower Project, 86 MW Solu Khola (Dudhkoshi) and another 5 MW project—will require power evacuation from the Solu corridor transmission line into the national grid through a new transmission line.

“All issues need to be sorted out as soon as possible, otherwise private producers will incur massive losses,” said Garg, who is also the director of Lower Solu project. “However, the forest issue in Udaypur has still not been sorted out.”

“Our project [Lower Solu] is 90 percent complete. The completion date was set for December but due to Covid-19, it has been delayed,” he said, adding that early completion of the transmission project will assure investors that their energy will not go to waste.

Source: My Republica, September 14, 2020

Efficient energy use still a pipe dream: Experts

KATHMANDU, Sept 14: Experts have pointed out that the government has not been able to promote green development due to poor policy implementation and defective subsidy distribution mechanism in alternative energy sector.

Nepal still relies on petroleum products and firewood as the major sources of energy. Although around 95 percent of the population has access to electricity, many of them use off-grid electricity produced by solar power that offers limited use of electricity in Nepali household. Low subsidy and the lack of user-friendly technology in biomass energy production have put off people in rural areas to use electricity.

Mani Nepal, program coordinator at the South Asian Network for Development and Environmental Economics (SANDEE), ICIMOD, said lack of subsidies by the government in alternative energy have led to excess dependency on the imported petroleum products. “It is the right time for the government to step up and increase subsidies in this sector by ending subsidies on liquified petroleum gas,” said Nepal, speaking at a webinar organized by the Society of Economic Journalists Nepal (SEJON).

According to a report of the Ministry of Finance, per capita power consumption has reached 267 units in the last fiscal year, with an addition of 22 units from the previous year. However, the statistics show very low energy consumption compared to other South Asian countries.

Nepal criticized the government for increasing taxes on electrical vehicles and for allocating a small budget to promote efficient energy use among biogas and biomass users. “The government could have helped make use of electrical vehicles for short distance travels, while continuing the petroleum-based vehicles in long routes.”

He also stressed the need for switching to the Green Gross Domestic Product (GDP) estimation system from the traditional form of evaluating GDP. “It gives the real picture of the economy in consideration with the environmental damages caused by the development activities,” said Nepal.

Absence of coordination among line agencies is another problem in promoting alternative energy use. The matter of biomass energy is under the purview of the Ministry of Forest and Environment. Likewise, the Alternative Energy Promotion Center is authorised to look after biogas and solar energy. The Nepal Electricity Authority takes electricity production and distribution under its jurisdiction and Nepal Oil Corporation looks after management of the petroleum products.

Nepal also suggested an improved technical analysis system in the mega projects such as Nijgadh International Airport to address issues of local people, bio-diversity and other environmental concerns. “Likewise, biogas and biomass productions have to be collaborated with the community forest development program to promote their usage,” he said.

Source: My Republica, September 15, 2020

10 major achievements of Kulman Ghising, Nepal's 'light man'

KATHMANDU, Sept 15: The four-year term of Kulman Ghising as the managing director of Nepal Electricity Authority (NEA) expired on Sunday, winning the hearts and minds of people across the country. People started calling him the 'light man' as he was able to end the chronic problem of power outage, commonly known as 'load-shedding', once and for all.

He also transformed the once-bankrupt NEA into a profit-making public utility. A Cabinet meeting held on September 16, 2016 had appointed Ghising as the NEA's chief executive at the recommendation of the then energy minister Janardan Sharma.

With the question whether Ghising will be reappointed for the job still unanswered, despite immense public pressure for the same, it is perhaps worth-remembering his 10 major achievements in his four-year term.

1. Thanks to the efficient management of Kulman Ghising, there was no load-shedding in the Kathmandu Valley on the day of Laxmi Puja in October, 2016. This was a rare case before as there is huge power demand on this day of the Tihar festival.

2. In the months that followed, Ghising declared Kathmandu, Pokhara and Bharatpur loadshedding-free zones, one after another. He also declared Nepal as a load-shedding free country in April, 2018 by ensuring adequate supply of electricity to the industries as well.

3. NEA's accumulated loss stood at Rs 34.60 billion in fiscal year 2015/16 (2072/73 BS). In his four-year term in office, Ghising not only reduced the

loss to zero, but also turned it into a profit-making entity with an accumulated profit of Rs 4.86 billion.

4. The NEA was in loss of Rs 8.89 billion until fiscal year 2015/16 (2072/73 BS). But this public utility company has been transformed into a profit-making state-owned enterprise with an accumulated profit of Rs 11 billion.

5. Electricity leakage stood at more than one fourth of NEA's total power supply. Ghising has brought that down to 15.27 percent from 25.78 percent.

6. Per capita electricity consumption has reached 250 units, up from 131 units four years ago.

7. Access to electricity increased by nearly one-fourth of the total households in the country in Ghising's four-year term. Four years ago, only 62.16 percent of households in the country had access to electricity. That figure stands at 86.44 percent today.

8. NEA imported 1.77 billion units of electricity from India in fiscal year 2015/16, spending Rs 13.12 billion. Four years later, the country imported only 1.72 billion units of the total 7.74 billion units of electricity consumed in the country.

9. NEA could complete the construction of Chameliya Hydropower Project (15 MW), Upper Trishuli III A Hydropower Project (60 MW) and Kulekhani Reservoir-based Hydropower Project (14MW).

10. Until fiscal year 2015/16, hydroelectricity projects with the power generation of 801 MW were in operation across Nepal. But now, this has increased by 57 percent, taking the total power generation capacity of the

country to 1257 MW. Dozens of power projects with a total capacity of around 3,000 MW are currently under-construction.

Source: The Himalayan Times, September 16, 2020

Four-year tenure of Kulman Ghising ends

For completing his four-year tenure as managing director of Nepal Electricity Authority (NEA), Kulman Ghising received a formal farewell from his office today. He was appointed to the top post of the NEA in 2016.

Speaking during his farewell programme today at NEA, he said that establishment of efficient management and effective working system at the authority helped put an end to the years-long issue of load-shedding in the country and improved the financial condition of the power utility to transform it into a profit-making government entity.

"The day I joined NEA, it was saddled with a loss of Rs 34.61 billion while the country was forced to face six to seven hours of power cuts even during the monsoon season," he said, adding, "However, scientific management and a small change in management of the electricity supply helped us succeed to transmit electricity round the clock and that's how we gradually ended load-shedding, which was a major responsibility given to me."

However, this is not the end. He said that end of load-shedding was his major priority and along with this he was also obliged to work for the overall development of NEA. "After the end of load-shedding, NEA succeeded in earning net profit of Rs 1.47 billion in the fiscal I joint NEA as managing director," he said. "And I must appreciate all the staffers of NEA for this team work."

While bidding adieu to NEA, he requested all to take his tenure termination as a normal process of any job and wished better days ahead for the power utility.

Considered as one of the most efficient government officials, currently the public is pressuring the government via social networking sites to reappoint Ghising as the managing director of NEA. Even though a proposal to reappoint Ghising has been registered at the Cabinet, there has been no discussion in this regard so far.

Amid this, today the government-appointed Senior Deputy Executive Director of NEA Lekhnath Koirala as the acting managing director of NEA.