

Source: My Republica, January 18 2021

ISPs complain against NEA for exorbitantly hiking optical fiber fee

Warn of hiking internet service charges

KATHMANDU, Jan 18: Nepal Electricity Authority (NEA) has sought to hike the fee for its infrastructure being used by the internet service providers (ISPs), which is likely to take upward the cost of internet use in the country.

According to the ISPs, the NEA has stepped up to increase the rental charge of its infrastructure including the optical fibers up to double of the previous amount. Sending a letter to each of the ISPs recently, the power utility has sought to increase the service fee through revising the contracts with the ISPs, the deadline of which ended on Friday.

The ISPs have been using the NEA's infrastructure including the transmission lines and electricity poles to expand their internet services in rural areas. The NEA has sought to fix the rental charge of fiber core equipped transmission lines with capacity of 66 KV and more at Rs 32,000 per core per kilometer per year from Rs 16,400.

Similarly, the charge for ADSS optical cable with capacity of 33 KV or less has also been doubled to Rs 30,000 per core per km per year.

There are 37 ISPs using the optical fibers to provide internet services to their customers. As of mid November, more than one million internet users have been enjoying the service provided through optical fibers, according to the government records.

Source: The Kathmandu Post, January 18 2021

Govt to waive electricity demand fee for lockdown period

The manufacturing industries which were affected due to the COVID-19 pandemic will get exemption from electricity demand charges for the lockdown period. A meeting chaired by Finance Minister Bishnu Prasad Poudel at the Ministry of Finance today has decided to implement electricity demand fee waiver from Monday.

Finance Minister Poudel expressed confidence that the implementation of the decision would benefit the industries and further help in reviving the economy that has been severely affected by the coronavirus pandemic and the subsequent lockdown imposed by the government to contain the spread of the virus.

The meeting has decided to provide such exemption to 58 types of industries that are mentioned in the Industrial Business Rules, 2020.

The budget of the fiscal year 2020-21 has also mentioned about waiving the electricity demand fee for the lockdown period of the manufacturing industries affected by the COVID-19. The meeting has also decided to give 50 per cent discount on the electricity consumption fee when the demand decreases.

In the meeting, Revenue Secretary Ram Sharan Pudasaini, Secretary of the Ministry of Industry Baikuntha Aryal, Secretary to the Ministry of Energy Dinesh Kumar Ghimire, Economic Adviser to the Finance Minister Prakash Kumar Shrestha, Executive Director of Nepal Electricity Authority Hitendra Dev Shakya and Director General of Industry Department Jiv Lal Bhusal were present.

Source: My Republica, January 19 2021

Import of electric vehicles plunges heavily in first five months of current FY

Sale of electric vehicles suffers due to unfavorable government policy

KATHMANDU, Jan 19: The import of electric vehicles dropped heavily after the government revised the customs duty on environment-friendly automobiles through the budget this year.

The records maintained by the Department of Customs (DoC) show that Nepal imported 37 electric four wheelers in the first five months of the current fiscal year. The import figure was far low compared to the import in the same period last year. According to the department, the country imported 315 electric cars during the review period last year.

The fall in imports has been attributed to the government's stringent policy in the sector. The government through the budget for 2020/21 revoked concessions and subsidies, along with revising the customs duty and value added tax (VAT) on imported electric vehicles.

In addition, the customs duty has been raised to up to 80 percent from the previous 10 percent. Similarly, the rate of excise duty has also been increased from five percent to 80 percent.

According to the DoC, of the imported electric vehicles, 27 were of the capacity of up to 50 KW, seven were with capacity between 50 KW and 100 KW and three were in the variants between 100 KW and 150 KW. During the period, nine hybrid cars that run with both petrol and electricity were imported. During the review period, Nepal imported 1,190 units of electric three-wheelers.

Source: My Republica, January 20 2021

Foreign investment worth Rs 515 billion pledged in energy sector

KATHMANDU, Jan 20: Foreign investors have pledged an investment of Rs 515 billion in projects related to the hydropower and energy sector. But the stakeholders have failed to bring in the investment as pledged by foreign investors.

There is a provision that a foreign company or investor who wants to invest in Nepal can bring investment only after getting approval from the office of the Investment Board of Nepal (IBN) and the Department of Industry. Although investors show commitment to invest, the problem of not being able to bring in the investment still persists.

The IBN has approved foreign investment for seven hydropower projects from FY 2013/14 to FY 2020/21. According to the board, it has sanctioned US dollar 1,600 million for the West Seti Hydroelectric Project.

The Board's office has approved UDS 35.75 million for the 50 MW Upper Marsyangdi Hydropower Project and USD 103.4 million for the 50 MW Marsyangdi Besi Hydropower Project. However, the amount to be invested by foreign investors and Nepali investors in these projects has not been allocated.

The IBN has approved an investment of USD 647.4 million for the 216 MW Upper Trishuli 1 Hydropower Project, USD 51.92 million for the 42.9 MW Ankhukhola Hydropower Project, USD 230.96 million for the 164 MW Kaligandaki Gorge Hydropower Project and USD 647.16 million for 347 MW Upper Marsyangdi 2 Hydropower Project.

Similarly, the 900 MW Arun III Hydropower Project is under construction with foreign investment. The Upper Karnali Hydropower Project is also being prepared to be constructed by an Indian company, GMR.

A total of USD 3,316.59 million--Rs 387 billion--has been invested for seven hydropower projects in a period of seven years. The rate has been calculated as per Tuesday's Nepali exchange rate. Joint Secretary at the IBN, Dharmendra Kumar Mishra said that the board has approved investment in 13 hydropower projects from FY 2013/14 to the current fiscal year.

“Foreign investors have been involved in seven out of 13 hydropower projects in a period of seven years,” he said. “Even if the investment is approved, the NRB keeps a record of whether the investment has been brought or not.”

Mishra said that the IBN has been approving investment only in hydropower projects above 200 MW or projects costing more than Rs 6 billion. “The board has been approving investments only in projects that fall within its jurisdiction,” he said.

Ganesh Karki, vice chairman of Independent Power Producers' Association, Nepal (IPPAN), an organization of independent energy producers, said that foreign investors will not be able to bring investment in Nepal for a long time even if they get approval for investment in hydropower projects. “Foreign investors have only shown dreams of building the project,” he said, adding that they have not been able to bring investment as promised.