

Source: Rising Nepal Daily, August 1, 2021

Tanahun Hydro Completes Additional Three Tunnels

Tanahun, August 1: Tanahun Hydroelectricity Project has completed the construction of three tunnels. The 140-Megawatts project has constructed audit tunnel required for the access to underground surge tank having 30 metre diameter and 65 metre height. The 437.1-metre tunnel constructed under the package 2 of the project completed on Friday evening, said Chief of the project Achyut Babu Ghimire. "It will facilitate the construction of underground surge tank," he said. Chinese Sino Hydro Company has constructed the third tunnel as road development was complex in the mountainous area. Earlier on June 16, main tunnel construction to the power house was completed and on June 4 a 314m tunnel to access the right side of the intake was finished. The project being developed in Byas Municipality-5 and Rishing Rural Municipality-1 of Tanahun district needed tunnels to construct underground surge tank, power house, intake and river diversion work. Ghimire said that it took seven months to construct the audit tunnel to the surge tank. Chinese and Nepali technicians and 400 workers were deployed for the work. Sino Hydro is constructing power house while Song Da Kalika JV will develop the intake.

Progress of the project was delayed due to the delay in appointing contractors, cancellation of them and making news appointment but as it continued the work even during the lockdowns, three tunnels are completed by now, said Ghimire. He said that the construction work was continued with physical distance and use of sanitiser and masks. Currently, works to construct tunnel, power house and installation of hydro-mechanical equipment are underway. The contractor company has completed the cable tunnel construction and is working to develop tail race tunnel.

As per the third phase of the project, a 220 KV double circuit transmission line is being constructed from Damauli of Tanahun to Bharatpur of Chitwan. Foundation of 26 towers of transmission line is laid and a technical team from India is making preparation for the installation of the infrastructure.

Source:My Republica, August 2, 2021

Jumla connected to national power grid

KHALANGA, August 2: Jumla district headquarters, Khalanga, has been connected to the national transmission line.

According to chief of Jumla-based National Electricity Authority distribution centre, Gaurav Pandey, the district has been connected with an 11-kV national transmission line. "NEA has connected Jumla with the 11-kV national transmission line through Kalikot for now", he shared.

NEA had intensified its works to bring Jumla to the transmission line once Kalikot came to the reach. Earlier, NEA had successfully tested the transmission line from Jumla to Manma of Kalikot along the Karnali highway.

The electricity supply shortage is expected to be resolved with the NEA successfully bringing the district to the national transmission line. Parliamentarian Gajendra Bahadur Mahat expressed his happiness over the expansion of electricity transmission in Jumla and also highlighted the need for its sustainable management.

NEA has set its target to expand electricity to main areas of all eight local levels of the district by Dahsain.

Source: The Kathmandu Post, August 3, 2021

Government tells electricity authority to work on tariff waiver scheme

The power utility says it is not in a position to offer electricity at cheaper rates as it would cause further losses.

The Ministry of Energy has ordered the Nepal Electricity Authority to make necessary arrangements for providing electricity free of cost to households that consume less than 20 units a month.

The government move comes in less than a week after Energy Minister Pampha Bhusal told journalists that the government was planning to provide free electricity to the people below the poverty line.

Currently, the government has been providing free electricity to the people whose monthly power consumption is up to 10 units in line with the budgetary provision of the fiscal year 2020-21. Their number is around 1.3 million, according to the authority.

“The Energy Ministry has proposed a tariff waiver for consumers who use up to 20 units a month,” said Hitendra Dev Shakya, managing director of the authority. “Once implemented, around 2.1 million consumers will benefit from the scheme.”

It means, around 42 percent of the authority’s customers will not be required to pay any tariff. As of mid-April, the power utility body has over five million customers.

Such a waiver will, however, put an additional financial burden on the authority whose profit for the fiscal year 2020-21 is expected to deplete sharply. According to Shakya, the new tariff waiver is estimated to cost the power utility around Rs680 million a year.

The government’s proposal has come at a time when the authority is set to lose around Rs4 billion due to various concessions given to individuals and businesses hit by the pandemic.

Besides waiving tariffs for small consumers, the budget for the last fiscal year had also announced that households consuming up to 150 units per month would be provided a 25 percent discount on monthly tariff. Likewise, those consuming up to 250 units per month would enjoy a discount of 15 percent.

The government had also announced rebates on electricity demand charges and discounts on electricity usage by water and irrigation users committees. Likewise, arrangements were made to provide discounts on the electricity demand charges for the

lockdown period to the manufacturing firms affected by Covid-19 and provide a 50 percent rebate on the consumption of electricity during the low demand hours.

According to Shakya, the net profit of the authority in the fiscal year 2020-21 is expected to come down between Rs6 billion and Rs6.5 billion from over Rs11.6 billion in the fiscal year 2019-20.

Even the budget for the fiscal year 2021-22 presented by the previous government has announced a tariff waiver for people consuming up to 20 units a month, but the waiver is for the lockdown period only.

The new government's plan to give a complete waiver on electricity tariff for those consuming up to 20 units a month has left the state power utility worried as the decision will hit its profits.

"We hope the Electricity Regulatory Commission will compensate for the loss through a cross-subsidy mechanism," Shakya said.

However, the government said it is still not sure how the policy of tariff waiver would be implemented.

Madhu Prasad Bhetuwal, spokesperson at the Energy Ministry, said that the financial burden caused by a tariff waiver could be compensated either through the Electricity Regulatory Commission imposing a higher tariff on people consuming more electricity or through the government by directly providing compensation to the authority.

"I am not sure whether any modality has been finalised though," he told the Post.

Officials at the authority are also not sure whether the commission would be revising the tariff structure immediately.

"I don't think we will be immediately compensated for the loss caused by tariff waiver by increasing the tariff for big consumers," said Shakya.

In fact, the state-owned power utility is already running in losses in tariff, according to the authority's officials.

"We are incurring a loss of around five percent from electricity trading," said Jayaraj Bhandari, chief of the economic analysis department at the authority. "Our profit is based on earnings from other sources such as leasing our property, interests on deposits, and bonus received from subsidiary companies."

The authority is reporting worsening profitability at a time when it is facing mounting pressure to reduce tariffs to promote the consumption of electricity amid concerns about the potential wastage of energy after three of the six units at the 456MW Upper Tamakoshi Hydropower Project started generating electricity.

Energy Minister Bhusal added weight to the argument telling journalists last week that the government would prioritise increasing the domestic consumption of electricity by offering power at lower prices.

“I am also in favour of providing electricity to industries at cheaper prices,” she had told journalists.

The private sector has been demanding that the electricity charges be lowered to reduce their cost of production and make their products competitive in the domestic and international markets.

But officials at the authority said that it was not in a position to offer electricity at cheaper rates because it would cause further losses.

Against the claim made by the officials, Kul Man Ghising, former managing director of the authority, had told the Post last week that the average cost of purchasing power by the authority has been decreasing over the years along with the reduction in the price of electricity generated by old hydropower projects like the 60MW Khimti Hydropower Project.

According to him, the price to be paid to Khimti came down to around Rs700 million last fiscal year from around Rs5.7 billion in the previous fiscal years.

“We can make downward adjustment of prices for consumers in line with the reduced cost of power generated by hydropower plants,” Ghising had said.

Without downward price adjustment, the authority faces the risk of electricity waste as the country will technically have surplus energy, particularly during the rainy season with the addition of 456MW electricity from the Upper Tamakoshi Project. The project’s electricity generated by one turbine [76MW] was first connected to the national grid last month.

Nepal's peak demand for power was 1,400 MW, while the total installed capacity of the power projects was 1,389 MW during the first half of the current 2020-21 fiscal year, according to the authority.

Power projects with a combined capacity of over 3,000MW are currently under construction.

“We are very much concerned about the authority potentially failing to increase consumption at home and selling abroad leading to electricity spillage,” Sudhir Prasad Timilsina, managing director of United Madi Hydropower Limited. “If the authority

faces financial trouble due to wastage of electricity, we will also be in trouble because there is no other agency to purchase our electricity.”

He suggested that the authority should encourage the consumption of electricity by making the electricity supply more reliable.

“If the electricity supply was reliable, I would switch to electricity for cooking from the existing Liquefied Petroleum Gas,” said Timilsina. “We can boost consumption by lowering the power tariff for night time. It is good to sell electricity at cheaper prices than letting it go to waste.”

Source: The Rising Nepal Daily, August 3, 2021

PM Deuba Directs Energy Ministry To Initiate Process For Appointing Ghisingh As CEO Of NEA

By TRN Online, Kathmandu, Aug. 3: Prime Minister Sher Bahadur Deuba has directed Minister for Energy, Water Resources and Irrigation Pampha Bushal to initiate the process for appointing Kul Man Ghisingh to the post of Chief Executive Officer of the Nepal Electricity Authority, according to Badri Tiwari, under-secretary at the Prime Minister's secretariat.

Tiwari said the process to appoint Ghisingh to the post of CEO of the NEA would start within a couple of days as per the Prime Minister's instruction.

Ghisingh gained huge fame and popular support for his work to end load-shedding some four years ago when he was the CEO of the NEA. He retired last year after his four-year tenure ended and the then government did not repeat him in the post despite his willingness. The previous government appointed Hitendra Dev Shakya to the post of CEO of the NEA.

Source:My Republica, August 5, 2021

Shakya warns of knocking at court's door if forcibly removed from NEA

KATHMANDU, August 5: Nepal Electricity Authority Managing Director Hitendra Dev Shakya has warned to go to court if the government decided to forcibly dismiss him. Shakya made the remarks a day after Minister for Energy, Water Resources and Irrigation Pampha Bhusal asked him to resign.

Minister Bhusal called Shakya at the Prime Minister's residence in Baluwatar on Tuesday and asked him to step down. Managing Director Shakya also said that he was ready to be transferred to another government entity as per the need but not in a way to punish him.

"I am ready to take the lead if the government gives me an alternative," he said. "I have turned a lemon into a lemonade in the past. So, if given a good opportunity, I am ready to work anywhere." Shakya also claimed that no one has asked him to resign.

Speaking at the press conference on Wednesday, Shakya said that he would seek legal remedy if he was punished and forcibly removed from the post. Shakya claimed that he had done a good job despite the outbreak of COVID-19 in 6-7 months of assuming the leadership of NEA. He claimed that NEA is also supplying more reliable electricity than in the past despite COVID-19 pandemic.

Shakya admitted that they could not effectively control the power leakage due to COVID-19 pandemic. According to him, the system collapsed 40 times previous year, but only 34 times in the last fiscal year.

Managing Director Shakya also said that he has brought the Upper Tamakoshi project in a position to generate electricity after assuming the leadership of NEA. "When I assumed office, there were still problems with the Tamakoshi project," he added.

Source:My Republica, August 6, 2021

Dedicated trunk line dispute: Go through review if arrears are not paid

KATHMANDU, August 6: Nepal Electricity Authority (NEA) has advised the industrialists and businessmen to pay the arrears for consuming electricity from the trunk line and dedicated feeder or go through the legal process for a review. According to NEA, the industrialists and businessmen have not paid around Rs 10 billion for electricity from trunk lines and dedicated feeders.

NEA Managing Director Hitendra Dev Shakya requested the industrialists and businessmen to pay the arrears or choose legal remedy. "No one benefits from having disputes over dedicated and trunk lines for years," he said. "Industrialists and businessmen should either pay the overdue amount or end the dispute by going through the legal process."

Shakya said that the dispute between the dedicated and the trunk line is getting heated and should be resolved together. "We are not in a position to tell the industrialists and businessmen to pay the arrears by shutting their industries down," he said. "They should pay what they owe by following the legal process."

He suggested the industrialists review the matter in the court, Electricity Regulatory Commission and NEA. "The dispute could have been resolved if the industrialists and businessmen had completed the legal process. There is a problem when they are refusing to comply," said Shakya.

Arjun Karki, former secretary and former managing director of NEA, said the conflict between the power supply utility and the country's industrialists will not benefit anyone. He said that it was sad to have different views on this issue. "There is a difference of opinion between the head of the authority and the changed ministers on the issue of dedicated and trunk line arrears. There are also many problems between the surveillance agencies," he said. "Only formation of committees took place regarding this issue but no committee could solve the problem."

Former Secretary Karki said that such committees have given conflicting reports. He suggested that the Prime Minister and the cabinet find out the root cause of the problem. "What is the principle behind levying additional charges for using dedicated and trunk lines? Has electricity been supplied on that basis?" he said. "If this facility is brought with a good purpose, then the dispute should be settled by assessing the benefits."

Federation of Nepalese Chambers of Commerce and Industry has been of the opinion that the electricity rate should be levied only on those who consume the prescribed amount of electricity during load shedding from the structure and not on the dedicated feeder and trunk line group industrial customers.