

Source: The Himalayan Times; 2nd November, 2014

## **Super six could be at super risk**

perspectives

Sujata Awale

The super six projects, which are envisioned by the government to mitigate the soaring power crisis in 2008, is still in limbo. Although the government had awarded licenses to private companies in June 2010 based on competitive bidding, developers have not been able to construct the projects till date.

Despite the government providing top priority to their construction, negligence over evacuation and transmission lines has invited an uncertain situation in hydel development. Delay in proper planning for both project construction and transmission lines, lack of coordination between ministries and government agencies, contradictory and unclear policies, cumbersome lengthy processes and instable government are other reasons for the delays.

Super six projects include Solu (23.5 MW), Lower Solu (82 MW), Khare Khola (24.1 MW), Maya Khola (14.9 MW), Singati Khola (16 MW) and Mewa Khola (50 MW). Except for Mewa Khola, Nepal Electricity Authority (NEA) has concluded the power purchase agreement (PPA) for the other five in November 2013.

Unmet commitment

After four years of struggle, Solu reached financial closure on September 28. CEO of Upper Solu Hydroelectric Company, Shashi Rajbhandari, said, "We have taken high risk and finally arranged loans from banks to initiate construction work." Citing that it took them more than three years to sign the PPA, he complained, "Although 'Request for Proposal' clearly mentioned that NEA shall purchase electrical energy generated from the super six projects at the posted rate at the time of signing the PPA and that NEA would construct the trunk portion of transmission lines, time and again we were troubled unnecessarily." According to him, the government in its preliminary study

showed that the total project cost would be Rs 1.2 billion but now the completion cost has reached Rs 4.1 billion.

With assurance from NEA to complete the transmission project by April 2018, the company had arranged a loan of Rs four billion. He said, "If the government fails to complete the transmission line as per its commitment, we will face huge losses. In four years we have already spent Rs 242 million."

Elaborating on the hassles that they faced since the license was gained, Rajbhandari said, "It shows the failure of the government that despite having written commitments, it could not implement what it committed to."

Transmission delays?

Agreeing with him, Sandeep Garg, Director of Essel Clean Hydropower Project (ECHP) the developers of Lower Solu, said, "The government has trapped private developers with attractive

commitments which were never delivered." Citing that the super six was supposed to be 'super fast track' projects, he said, "Lack of strong political will, stereotype work culture of government officials, lack of coordination and frequently changing governments delayed the whole process." Reportedly, the private sector bid and paid Rs 43 million for license of six projects, which were many folds higher than the normal price. "Despite paying five times higher royalty, guaranteed performance bond and 45 per cent penalty if developers don't complete their work, we have not enjoyed any special consideration. Rather we are tangled in the whole government process," he said with disappointment. As per the PPA, a penalty can be charged to both investors and the government if any party does not finish their work within the scheduled time.

Source: My Republica; 2nd November, 2014

## Uncertainty over West Seti worries locals

**DIL BAHADUR CHHANTYAL**

**DHANGADI, Nov 3** : Uncertainty looming over construction of West Seti Hydropower Project has worried the locals.

They have complained that the government has not launched any development project in the area after talks over West Seti began some two decades ago.

“Not a single project was launched for past two decades on the pretext of West Seti. Our lands have turned barren due to flood and inundation,” said Ratan Saud, chairman of the West Seti stakeholders’ group. “We are really worried due to uncertainty over the construction of the project.”

Not a single development project related to river embankment, irrigation, drinking water and electricity has been launched in the project hit area for past two decades.

“We have been cheated on the development front, while we are still suffering due to delay in starting the project,” said Raju Bhattarai, a resident of Lamikhal of Doti.

China Three Gorges Corporation (CTGC) has signed a memorandum of understanding (MoU) for the construction of the project two years ago after Snowy Mountains Engineering Corporation (SMEC) pulled out of the project after failure to attract investment for the project.

“We were excited when it was said that the company would start construction of the project within two years. However, there is still uncertainty over whether the project would start at all,” chairman Saud said.

“Construction of the project should begin immediately. Otherwise, the government should launch other development projects in our area,” added Saud. The proposed installed capacity of the project is 750 megawatts. Around 3,000 households of Bajhang, Doti, Baitadi and Dadeldhura will be affected by the project.

Source: My Republica; 2nd November, 2014

## **'Kabeli 'A' license should not be scrapped'**

Lawmakers on the finance committee of parliament on Sunday said the license of Kabeli A hydropower project should not be scrapped as directed by the Commission for the Investigation of Abuse of Authority.

They said the project deserves preferential treatment as it is being developed under foreign direct investment (FDI). World Bank and its private sector-arm, the International Finance Corporation (IFC), have agreed to invest in the project being developed by Butwal Power Company (BPC).

The government of Nepal has 13 percent stake in BPC.

Some lawmakers took exception to the CIAA directive of October 28 to scrap the license of the project, saying the anti-graft body overstepped its jurisdiction. CIAA had directed the Ministry of Energy to scrap the license for failing to sign connection agreement, power purchase agreement and attain financial closure within the given deadline. CIAA directed the government to scrap the licenses of 14 hydropower projects within a month.

Lawmaker Surendra Pandey said the CIAA instead of directing the government to halt development projects should investigate into corruptions, if any, and file a case against them in court.

Speaking at the committee, Finance Minister Ram Sharan Mahat said this is the first time in two decades the World Bank has invested in any hydropower project in Nepal and that the government needs to support it.

“Delaying hydropower projects would be suicidal as it would further widen the country’s trade deficit as the country imports of energy worth Rs 10 billion annually,” said Mahat, who has been trying to woo foreign investors since he assumed office last year.

Mahat also informed the committee that he already talked with CIAA Chief Lokman Singh Karki regarding the issue. He also said that Karki has assured that the anti-graft body would reconsider its decision if the energy ministry makes such a request.

The estimated cost of the 37.6 megawatts project is US\$102 million. The World Bank has agreed to provide soft loan of US\$ 40 million and International Financial Corporation US\$ 38 million worth debt investment for the project.

Officials of the Nepal Electricity Authority say it is in the final stages of signing power purchase agreement for the project.

The project is being built on the Kabeli River that borders Panchathar and Taplejung districts and was

awarded to BPC in 2009. But the first project development agreement for Kabeli A was signed in 2010. The project was upgraded to 37.6 megawatts in 2013.

The committee also has invited CIAA Chief Karki to discuss the issue on Wednesday.

Padma Jyoti, chairman of BPC said the project is a good example of public-private partnership model in the country. He said they are planning to start project construction by January next year and aim to complete it within four years. "We have already attained financial closure, acquisitioned 90 percent of land for the project and opened 24km passage for the access road to the project," added Jyoti.

Energy Secretary Rajendra Kishore Kshatri, however, said they have to comply with the CIAA directive. He said the ministry has not yet scrapped any license and have formed a committee to study the status of all the 14 projects before deciding their fate.

Hours after lawmakers discussed Kabeli Hydropower Project, Karki tweeted on Sunday saying CIAA is not obstructing development but trying to grease the wheels of development. He also said CIAA has written to the energy ministry to scrap licenses of projects that failed to meet the set conditions. "We hope appropriate actions will be taken by the concerned ministry without any bias," added Karki.

Source: The Kathmandu Post; 4th November, 2014

## **Kohalpur-Surkhet power line to be upgraded**

[MOTILAL POUDEL](#)

The government has decided to boost the capacity of the Kohalpur-Surkhet transmission line to 132 kVA from the existing 33 kVA in a bid to address the shortage of power lines.

The upgrading of the 26-year-old Kohalpur-Surkhet transmission line has started under a three-year plan. The government plans to construct a sub-station at Latikoili-1, Surkhet by acquiring land in the first phase.

Project chief Shree Ram Pokhrel said the government had allocated Rs 80 million for the first phase of the construction project. “The project’s completion period will depend on the budget allocated by the government.”

The government-funded project is expected to supply electricity to the local people in nine districts of the Mid-Western Region. Transmission towers will replace the existing puncture master poles of the power line.

The 33 kVA transmission line was constructed in Birendranagar after Ratna Highway was built 26 years ago setting the stage for economic development in the region. The increased capacity is expected to reduce interruptions in electricity supply caused by low capacity and wind.

The government has estimated an outlay of Rs 1 billion for the 50-km-long transmission line extending from Kohalpur to Surkhet.

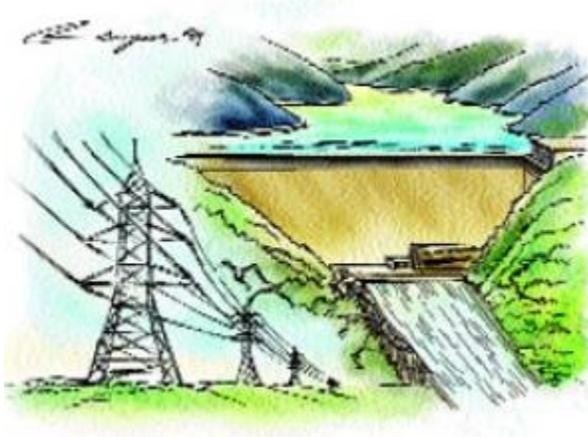
Out of the two proposed locations for building a sub-station—one at the Jhupra powerhouse owned by the Nepal Electricity Authority and the other at Latikoili VDC—the project has selected the second site.

After the transmission line is completed, it will ease electricity supply from Surkhet through districts like Dailekh, Salyan, Jajarkot, Rukum, Kalikot, Jumla, Mugu, Humla, Achham and Bajura.

Source: The Himalayan Times; 4th November, 2014

# Hydropower development

## Issues and options



### **DR. GIRISH P. PANT**

In Nepal and other developing countries, it has been realized that hydropower could be the dynamic sector in economic advancement and the best way of alleviating poverty. It should also be noted that hydropower is also superior to other energy sources for various reasons

Hydropower is an immaculate and renewable source of energy. It furnishes modest electricity and produces no adulteration. Contrasted with fossil fuels, hydropower does not damage water during the production of electricity. It is also a renewable source of energy that can supplant fossil fuels' electricity

production while meeting increasing energy requirements. Hydroelectric schemes diverge in range and application. Micro-hydroelectric plants are the smallest kinds of hydroelectric systems. They can produce between 1 KW and 1 MW of power and are the archetype for powering smaller services such as processing machines, small farms and societies. Colossal hydro-electric systems can yield gigantic amounts of electricity. These can be utilized to power large communities and cities.

In Nepal's case, the hydropower sector has received satisfactory attention since the inception of the First Plan (1956-60). Recently, a gargantuan chunk of foreign aid has been disbursed in this sector. For instance, in 2006/07, foreign aid disbursed in this sector was tantamount to Rs. 3210.7 million. In 2013/14, too, a lot of aid has been disbursed in this sector. In spite of this, it is sad to note that only 42 per cent of the denizens have access to electricity. What's more, only 707 megawatts (MW) has been generated out of a practicable potential of 43,000 MW. This denotes that only 1.6 per cent has been exploited.

The main bilateral donors in hydropower are Germany, India and Japan. The principal multilateral agencies have been the Asian Development Bank (ADB), Japanese Bank for International Cooperation (JBIC) and the World Bank through its affiliate the International Development Association (IDA). Nepal's own resources both in the public and the private sector cannot match the financial investment required for hydropower development. An enormous investment is indispensable from foreign development organizations and private sector entrepreneurs. Although meaningful foreign investment has been attracted in recent years, a lot still remains to be invested for meeting both internal demand and the vital capability for the export of hydropower output.

In Nepal and other developing countries, it has been realized that hydropower could be the dynamic sector in economic advancement and a main way of reducing poverty. The hydropower is the best option in alleviating poverty. It should be noted that hydropower is also superior to other energy modes. Firstly, water is the main input of hydropower as it does not pollute the environment like coal or natural gas. Secondly, the energy harnessed through hydropower depends on the water cycle, which is driven by the sun, making it a renewable power source, making it a more dependable and affordable source than other energy output. Thirdly, hydropower also provides an array of advantages such as flood supervision, irrigation and water supply. Fourthly, hydropower generates no emissions or noxious by-products, unlike coal and natural gas. Fifthly, hydropower plants only need falling water to generate electricity. The only energy exchanges essential to maintain hydropower plants operating are evaporation and condensation, two cycles that materialize interminably and renew constantly and independently. As a sequel, according to the US Department of the Interior Bureau of Reclamation, hydropower accounts for nearly 96 per cent of America's renewable energy. Sixthly, engineers and technicians oversee the volume of energy hydropower plants yield by checking how much water flows through the turbines, which in turn determines how rapidly such machines gyrate. A huge hydropower plant can supply electricity to many based on demand.

Seventhly, hydropower plants last up till a century meaning that continual resources for rebuilding are not needed. However, there are two drawbacks of hydropower compared to other types of energy. First, the biggest stumbling block in hydropower is the spadework and the exorbitant initial cost. In the long run, nonetheless, this could be recouped through less operational and maintenance expenses. Second, in the past, hydro locations were easier to promote because ecological issues were less rigid and there was less widespread resistance. New plots for hydro sites are more difficult to foster because of environmental concerns. Clearly, the benefits far outweigh costs.

There are a number of strategies that developing countries in general and Nepal in particular should pursue to gain maximum benefits from hydropower development. First, policy permanence and political stability should be maintained. Second, long-term national strategies for export-oriented hydropower development and mutually salubrious partnership should be promoted. Third, Nepal and other similar developing countries could follow the Bhutan's model where only two hydroelectric plants have been constructed with a combined capacity of 1,380 MW.

The recent signing of Project Development Agreement (PDA) of Upper Karnali which has a

capacity of 900 MW is a milestone. Fourth, concerning the requirement of the financial resources, options should be considered to muster domestic financial resources by spur-ring private sector investment. Finally, unstable politics, administrative hassles and disorganized labour unions, which discourage investors, should be resolved.

Source: The Rising Nepal; 4th November, 2014

## **Minister, lawmakers criticise CIAA for cancelling generation licence of Kabeli A Hydel project**

**By Yogesh Pokharel**, Kathmandu, Nov. 4: Minister and Lawmakers on Tuesday came heavily over the Commission for the Investigation of Abuse of Authority (CIAA) for its decision to cancel the generation license of Kabeli A Hydropower Project.

Speaking at the meeting of the Agriculture and Water Resources Committee under the Legislature Parliament today, Minister for Energy Radha Kumari Gyawali and majority of the lawmakers who expressed their view in today's meeting blamed the CIAA for going beyond its jurisdiction and taking decisions haphazardly, without taking the practical aspects into consideration.

Minister Gyawali stated that the CIAA decision to cancel the generation license of Kabeli A had sabotaged the rights and jurisdiction of the executive body.

“There is ministry to look after such cases. We cancel licenses as per the existing rules and policies,” Gyawali said adding that the decision was not a welcome step.

She further said that Ministry would request the CIAA to withdraw its decision and would extend the time of the project taking it to the cabinet if CIAA did not agree.

She was of the opinion that the project like Kabeli A should not be stopped.

Stating that the CIAA decision spoils the investment climate in the country, they urged the CIAA to re-think its decision.

Lawmaker Jamindra Man Ghale said that the CIAA should reconsider the decision as such abrupt decisions would damage the investment climate of the country.

Lawmaker Ananda Pokharel said that the CIAA had been ‘anti-development’ and promoting load-shedding in the country.

He said that the cancellation of licenses comes at a time when the country is reeling under hours long load-shedding.

Lawmaker Amrit Kumar Bohara said that the CIAA entered into many sectors in ‘cheap manner’.

He said that the decision taken by the CIAA without going into depth of issues had created problems and should be re-considered.

Recently, the CIAA had decided to cancel the generation license of 37.6MW Kabeli A Hydropower Project stating that it failed to complete financial closure and power purchase agreement (PPA) as per the condition of the license.

The project has not completed the financial closure and signed the PPA yet though the investment of the World Bank, Hydroelectricity Investment and Development Company Limited, Nepal Electricity Authority, private sector and general public are almost certain.

The deadline of the license ended on September 5, 2014. The project has applied for the extension of the license period for six months more in July this year, which is pending at the Department of Electricity Development.

Speaking at today's meeting, Padma Jyoti, representative from BPC-JV, said that the project had already completed financial closure and they were signing final deal of the financial closure shortly.

"The agreement between the Government of Nepal and the World Bank was supposed to be held in July this year. However, it could not happen for some special reason. We have requested both the parties to do it earliest," he said.

Lawmakers Bhawani Prasad Khapung, Gyanendra Bahadur Karki, Amrit Kumar Bohara, Rekha Sharma, Kashi Nath Adhikari, and Sudhir Siwakoti expressed their views in today's meeting.

Source: The Himalayan Times; 5th November, 2014

## **Minister urges parties to resolve problem faced by Bhote Koshi hydro project**

Construction of transmission lines being hindered

Energy Minister Radha Kumari Gyawali today asked all political parties to immediately resolve problems faced by Bhote Koshi Power Company (BKPC), as obstructions created by locals in the construction of transmission lines have prevented Kathmandu Valley from receiving around 45 megawatts of electricity, which could reduce loadshedding by around one hour every day.

“I ask all political parties, including the ruling Nepali Congress (NC) and Communist Party of Nepal- Unified Marxist Leninist (CPN-UML), to address this problem immediately,” Gyawali told a meeting of parliamentary committee on agriculture and water resources today. “Please do whatever you can.”

The 45MW Bhote Koshi hydroelectric project has not been able to evacuate electricity since the first week of August when floods and landslides in Sindhupalchowk district completely damaged four transmission lines of the company.

The company is currently planning to build seven new transmission lines — six in Takkanpur village development committee (VDC) and one in Dhuskun VDC — but locals have not allowed the company to do so by placing various demands, including ownership transfer of shares.

Locals, who have received the backing of major political parties — CPN-UML, Unified Communist Party of Nepal (Maoist), Rastriya Prajatantra Party and Communist Party of Nepal-Maoist — are currently demanding 22.5 per cent stake in the power company. Locals supported by NC, on the other hand, are pressing the company to transfer ownership of 10 per cent of the shares to their names.

“The monetary value of these shares is estimated to be around Rs 450 million at face value (that is considering the value of each share at a minimum of Rs 100 per share),” BKPC Manager, Finance, Babin Pradhan, told The Himalayan Times.

Locals are even said to be willing to pay a premium on the shares, meaning they are ready to invest more than Rs 100 on each share.

But even then, promoters of the company are unlikely to transfer the shares, as they have said the pressure exerted by locals after around 14 years of the company’s establishment was insulting.

“We will accept the demand if the government formulates a rule on it, as BKPC is a law abiding company. But we won’t succumb to unnecessary pressure,” Pradhan said.

Others have also criticised the locals for creating hurdles for the company, which has been generating electricity, without facing much problems, since January 2001.

“What kind of message would it send to the international market if the investor, which has been working here for around 14 years, returns home?” Nepali Congress lawmaker Uday Shumsher Rana questioned during parliament’s finance committee meeting on Sunday.

Source: The Kathmandu Post; 5th November, 2014

## **PDA talks for Arun III hydel project begin**

[SANJEEV GIRI](#)

Project Development Agreement (PDA) negotiation for Arun III hydropower project started in [Kathmandu](#) on Tuesday. The talks between Investment Board Nepal (IBN) and India's Satluj Jal Vidyut Nigam Limited will continue on Wednesday.

IBN CEO Radhesh Pant said Tuesday's meeting mainly focused on legal aspects. "Legal teams from both the countries participated in the negotiation," said Pant, adding since there aren't many issues to be resolved, the negotiation is likely to complete soon.

One of the critical issues to be settled is share allocation to locals. Pant said Sutlaj is positive on allocating shares to the locals. "We will definitely negotiate over the issue. There is a need for making the project bankable while allotting shares to the locals," said Pant, adding the number of affected people too will be taken into account while taking a decision.

The PDA template for Arun III will basically be similar to that of Upper Karnali Hydro Power Project. IBN and India's GMR Company recently signed the PDA for Upper Karnali.

As far as the project's downstream impact is concerned, the two parties are likely to agree on the same conditions set for Upper Karnali, according to IBN. GMR has agreed to conduct a study on downstream impact within six months from PDA signing, and construct a re-regulating dam, if needed.

An IBN team also recently carried out a on-site study of the project based in Sankhuwasavha district.

The IBN had sent the PDA draft to Satluj on October 4. As per the agreement, Nepal will get 21.9 percent free energy, or 197MW. Issues regarding facilities for locals, and the developer's corporate social responsibility initiatives are yet to be cleared.

The Nepal government and Satluj had entered into a Memorandum of Understanding (MoU) in March 2008. Sources say the much-awaited PDA is likely to happen on the sidelines of the 18th Saarc Summit, amidst the presence of Indian Prime Minister Narendra Modi.

Source: The Kathmandu Post; 6th November, 2014

## **Upper Marsyangdi-A to be finished by 2015-end**

[PREM KUMARI GHALE](#)

LAMJUNG, NOV 06 - The construction of the Upper Marsyangdi-A Hydropower Project in Bhulbhule, Lamjung has picked up pace, and project officials expect it to be completed in the next 13 months.

Work on the 50 MW project started in January 2013, and since then 70 percent of the tunnel digging works, 75 percent of the powerhouse construction and 60 percent of the civil works have been completed.

Karna Adhikari, assistant manager of the project, said more than 45 percent of the project had been completed. Its estimated cost is Rs 10 billion. The Upper Marsyangdi-A has experienced work stoppages lasting more than one and a half months with project employees staging protests demanding a hike in their perks and benefits.

In order to make up for lost time and finish the project within the stipulated date, the project has mobilized a rush crew of 1,100 workers (500 Nepalis and 200 Chinese).

Sino Hydro, the main developer of the project, said they would start generating electricity by the end of 2015. "We are in a position to complete the project within the stipulated time."

The dam and tunnel digging works are expected to be completed within a couple of months. The dam has been built at the border between Bhulbhule 5 and 6, and water will be brought to the powerhouse at Bhulbhule 3 through a 5-km-long tunnel. The run-of-the-river project is being implemented by China's Sino Hydro and its Nepali partner Sagarmatha Power Company. It has signed a power purchase agreement with the Nepal Electricity Authority for 6.95 cents per unit.

Source: The Kathmandu Post; 6th November, 2014

## Energy minister tells CIAA to mind its own business

Energy Minister Radha Gyawali said on Tuesday that the ministry was fully capable of dealing with its affairs and did not want intervention by the Commission for the Investigation of Abuse of Authority (CIAA).

The minister's remarks followed highly publicized moves by the anti-graft body to cancel the permits of a number of hydropower projects for breach of contract. Addressing the parliamentary Agriculture and Water Resources Committee (AWRC), Gyawali said that state agencies should stay out of each other's way.

"I respect the CIAA and its proceedings. However, it should not overstep its jurisdiction," said Gyawali, adding that a power-deficit country should not have to face the consequences of any kind of intervention by any kind of state agency.

The anti-graft body has directed the ministry to cancel more than a dozen hydropower projects including Kabeli-A for failing to sign power purchase agreements (PPA) with the Nepal Electricity Authority (NEA) and completing the financial closure in time.

Putting obstacles before the Kabeli-A project will only prolong its completion date, Gyawali said. She admitted that government agencies including the NEA and the Department of Electricity Development (DoED) also exhibited incompetence leading to delays in project preparation.

"Even though we have tried to expedite things, they have not been moving ahead efficiently. This too has prevented projects from completing their tasks on time," Gyawali said. Power developers have been blaming government agencies for delays in developing projects such as the NEA's not signing PPAs on time.

Energy Secretary Rajendra Kishore Kshatri said that only the energy secretary has the right to award licences or terminate them legally. "The CIAA pulled the files of Kabeli and another one dozen hydropower projects and directed us to terminate the licences. Though the decision came without consulting us, I am not in a capacity to question the decision of the anti-graft body," Kshatri said.

He urged the AWRC to tell the CIAA to review its decision. "If this happens, we will prepare a position paper regarding the issue."

Meanwhile, Kumar Pandey, the general secretary of the Independent Power Producers Association Nepal (IPPAN), said that a majority of private sector developers had been compelled to face the consequences of the inefficiency of government agencies. A representative of Terhathum Power Company, which has been implementing a project on the Khorunga River, said they had not been able to sign a PPA as the NEA has not held a board meeting on the issue.

He added that on July 24, the NEA had told his company to come to sign a PPA by mid-September. On August 28, company representatives reached the NEA to sign the PPA after fulfilling the necessary requirements only to find that the CIAA had seized all the documents.

“Again on October 29, the NEA published a public notice asking us to come for the PPA. This is how the government mechanism functions,” he said.

A majority of lawmakers stated that the CIAA’s intervention would demoralize hydropower developers and that the country’s aim to end load-shedding might be unfulfilled.

“The CIAA has placed itself against development. The anti-graft body should clarify its stand,” said lawmaker Anand Prasad Pokhrel. Another lawmaker Amrit Kumar Bohara said that the CIAA should review its decision.

However, CIAA chief Lok Man Singh Karki has defended the anti-graft body’s actions by tweeting that its intervention in hydropower projects fell under its jurisdiction as per the Interim Constitution.

“Except as stated in Art 120(2) of the Interim Constitution & Sec 4(b) of CIAA Act, the commission has the jurisdiction to investigate,” he posted on Twitter. “To act as per the prescribed conditions in the permit & law, of some hydro power projects is within the jurisdiction of CIAA.”

### **AWRC tells CIAA to explain its actions**

The Agriculture and Water Resources Committee (AWRC) of the Legislative-Parliament on Tuesday summoned the Commission for the Investigation of Abuse of Authority (CIAA) to explain its recent intervention in the hydropower sector.

The directive followed a discussion by the Ministry of Energy (MoE), Nepal Electricity Authority (NEA), Department of Electricity Development (DoED) and independent power producers regarding the CIAA’s direction to terminate the licences of over a dozen hydropower projects. “Following the discussion, we felt that the MoE holds the jurisdiction of giving or seizing the licence of a particular company. The MoE should not keep quiet,” said AWRC Chairperson Gagan Thapa. He has asked the CIAA to participate in the committee’s next meeting.

Likewise, the AWRC has also directed the MoE to register the bills related with the electricity act and regulation at Parliament by mid-January, 2015. The House panel told the DoED to prepare status reports of all the 547 licensed hydropower developers, update them every three months and also make them accessible to all by putting them in the public domain.

Source: My Republica; 6th November, 2014

## **CIAA returns files of Kabeli A, Upper Trishuli I**

The Commission for the Investigation of Abuse of Authority (CIAA) has returned files of Kabeli A, Upper Trishuli I and three other hydropower projects to the Department of Electricity Development (DoED).

The documents, which were taken by CIAA on different dates for investigation, were returned on Wednesday morning after CIAA's Chief Commissioner Lokman Singh Karki clarified at the parliamentary Finance Committee meeting about its latest direction on those projects.



Though CIAA on Wednesday returned files of Upper Trishuli I, Karki argued that CIAA had not taken files of Upper Trishuli I for investigation. He also expressed dissatisfaction on the cabinet decision to extend the project's term. "The cabinet extended the term even though the project failed to achieve financial closure and sign Power Purchase Agreement (PPA) by October 19," added Karki.

Officials of the Ministry of Energy and DoED had told the Finance Committee meeting on Sunday that the works to sign PPA with Kabeli A was delayed after CIAA took the project files.

Upper Trishuli I project is being developed by a group of Korean investors.

Source: The Kathmandu Post; 6th November, 2014

## **Rahughat contractor flees without paying debts**

[Ghanashyam Khadka](#)

The contractor for the Rahughat Hydropower Project has fled without paying the rent and the bill for food, warehouse and building materials.

The locals have filed complaints at the District Administration Office (DAO) against the contractor Binod Lama of Gorkha Construction and Sochindra Nirman Sewa for the missed payments.

Ranganath Gautam, a resident of Galeshwor, said that Lama had given him a cheque for the outstanding amount but that it had bounced. He had rented his house to be used as a warehouse for the project.

Gautam said Lama had been delaying payment and eventually gave him two cheques, one with number 3572364 drawn on Global Bank and another with number 018862 drawn on Citizens Bank. "When I went to the banks to cash the cheques, the signatures on both the cheques were found to be fake," said Gautam. Lama owes him Rs 300,000.

Lama is reported to owe Rs 7 million to 12 other people including grocery store owners, grill makers, block manufacturers and the landlords of the houses where the project workers and the office staff live. They have accused him of writing cheques without sufficient balance in his account.

After receiving the complaints, the DAO ordered the Nepal Electricity Authority's Rahughat Hydroelectricity unit to take necessary action. However, the project authority has shown little interest in pursuing the matter saying that it was something between the local people and the contractor. Kashinath Adhikari, administrative officer at the project's site office, said that the DAO had asked them to take action. "The project has already made payment to the contractor, and we are not concerned with the deal between the contractor and the locals," he added.

The DAO is the authority to take action against charges of fraud. But it has not begun proceedings except to write to the project authority to recover the outstanding money from the contractor. The Rahughat Hydropower Project has a capacity of 30 MW.