

Source: The Himalayan Times; 19 Jan, 2014

Nepal Electricity Authority fixes power purchase tariff for up to 100 MW hydels

Rs 8.40 per unit for dry season, Rs 4.80 a unit for wet season

RUPAK D SHARMA

KATHMANDU: Nepal Electricity Authority, the sole buyer of power here, will soon start buying energy generated by hydel projects with installed capacity of up to 100 megawatts at flat rates of Rs 8.40 per unit during dry season and Rs 4.80 per unit during wet season.

A decision in this regard was recently taken by the NEA board, NEA Managing Director Mukesh Raj Kafle told The Himalayan Times.

The latest decision taken by state-owned utility company has cleared pricing ambiguity for developers

who are building hydel projects with installed capacity of over 25 MW to 100 MW. This means these independent power producers, from now onwards, do not need to engage in lengthy negotiations with NEA over the price at which they want to sell the electricity.

Currently, power purchase tariff has only been fixed for projects with installed capacity of up to 25 MW. This, in turn, has helped in early implementation of such projects.

Many in the hydel sector believe that development of projects with capacity of over 25 MW to 100 MW would speed up following fixation of tariff rates, as it would expedite the process of signing power purchase agreements.

The power purchase price recently fixed for projects of over 25 MW to 100 MW is the same as that for projects of up to 25 MW. This means the base power purchase price for projects of up to 100 MW now stands at Rs 8.40 per unit during dry season and Rs 4.80 per unit during wet season.

However, the only difference in the pricing mechanism for projects of up to 25 MW and projects of over 25 MW to 100 MW is the frequency at which these tariffs could be revised.

NEA has said power purchase tariff for projects of over 25 MW to 100 MW could be raised by three per cent for a maximum of eight times — as against a maximum of five times for projects of up to 25MW.

“The three-per-cent increment would only apply to the base rate, not compound rate,” Kafle said.

without explaining the basis on which the tariff would be revised.

Simply put, if the power purchase price is raised by three per cent from original price of, say, Rs 8.40 per unit, the power producer stands to get Rs 0.25 extra, or Rs 8.65 in total. But when the price is reviewed the next time, the escalated price of Rs 8.65 will not be used as a reference rate for price escalation. Instead, the original price of Rs 8.40 will be taken into account and only Rs 0.25 extra will be provided to power producer on top of Rs 8.65.

“This mechanism will benefit NEA as prices were reviewed haphazardly in the past on case by case basis,” Kafle said.

Earlier, NEA had extended price revisions of up to 10 times for certain projects — that too on compound rate, data show.

Source: Karobar; 20 Jan, 2014

Another success in Upper Tamakoshi

DIL BAHADUR KC

DOLAKHA, Jan 20

There has been a breakthrough in construction of a steep 374-meter tunnel, the most difficult part of the 456-MW Upper Tamakoshi Hydropower Project. Five attempts to construct the tunnel over the past two years had failed.

Project Chief Bigyan Prasad Shrestha says hopes for timely completion of the project have increased after the breakthrough in the tunnel. He reveals that the tunnel has been opened after the final explosion at two Tuesday afternoon. He claims that the project had used the most modern international technology but suffered repeated failures in the past. The tunnel has a diameter of 4.40 meter at the top end and 2.1 meter at the bottom.

Spokesperson for the project Dr Ganesh Neupane says 216 meters has been dug from the top end and 158 meters from the bottom. He claims the tunnel will be completed within just one month. He reveals that the construction company will start installation of steel penstock pipe under hydromechanical construction after the tunnel is completed. Another penstock shaft 320 meters long also has to be constructed as the design of the main tunnel was changed after completion of the first shaft.

Success with old technology

Old technology has yielded results after repeated failure in construction of the steep tunnel using the modern range-boring machine on five attempts. Construction was again started on July 10, 2014 using the traditional technology. Work has been stopped for a year after attempts using a range-boring machine brought from China by Sino Hydro Corporation Limited had also failed. Neupane reveals that success has been achieved after 193 days of work. Sino Hydro, assistant company of the consultant Lahmeyer International, had brought the range-boring machine manufactured by the world-famous German company Mekong Engineering.

Hydromechanical contractor Telemacho Railway Engineering of India had also started construction from the bottom end, keeping a sub-contractor, using alimak technology after work by Sino alone looked set to be insufficient to complete it in time. Neupane says the project management coordinated with both the companies to complete the work soon. The machine was taken to Upper Tamakoshi as a tunnel of similar nature at Khanikhola was constructed with the same machine. Officials say steep tunnels up to around 800 meters long can be dug with that machine.

Neupane reveals that the modern technology failed as there was a weak rock in between the rocks at the place of steep tunnel. The tunnel dug by using a range-boring machine was stopped

after it deviated around four meters more than the stipulated limit. Work is being done in three shifts—morning, day and night—to complete the whole project within a year of completing headworks and digging of tunnel. Work on the left side for headworks has been completed and work is now being done on the right side by diverting the river. A 30-meter dam along with intake, and 200-meter sediment flushing pond has been constructed on the left side. Eighty-percent of the headworks have been done on the left side.

Seventy-one percent of overall construction of the project, being built in Lamabagar of Dolakha, has been completed by mid-December. 14.60 kilometers of tunnel out of 16.60 kilometers has been completed. Neupane claims construction of civil, hydromechanical, electrical, transmission line and substation will be completed by January, 2017. The estimated cost of the project is around Rs 35.29 billion.

Source: My Republica; 21 Jan 2014

Upper Bhotekoshi begins generating 18 MW power from Wednesday

The Bhotekoshi Power Project (45 MW) that was disrupted for around last six months due to the occurrence of a massive landslide at Jure, Ramche of Sindhupalchowk has started generating power from Wednesday.

The project failed to generate power after the five political parties including CPN (UML), Unified CPN (Maoist), Rastriya Prajatantra Party and Baidhya-led CPN-Maoist created hurdles demanding 35 per cent shares of the project be allotted to the people from the project affected area. However, the Nepali Congress demanded 10 per cent share to people from the project affected area.

The reconstruction was started from December 25 after the company and the political parties agreed providing five per cent shares to the locals.

The project which started trial production since Saturday has formally started production from today. The power generated has been fed to the central transmission line from Wednesday, said Narendra Prajapati, Chief Executive Officer at the Bhotekoshi Power Company Private Limited. The project will produce only 18 MW power as the flow of river water was decreased in the winter.

The project was stopped after the landslide at Jure of Ramche VDC in Sindupalchowk caused damage on five towers. The project invested Rs 80 million for the reconstruction of the towers, said Babin Pradhan, Manager of the power Company.

Source: My Republica; 21 Jan 2014

Sunkoshi Hydro repair works to cost Rs 150 million

DHRUBA DANGAL

SINDHUPALCHOWK, Jan 21: An estimated Rs 150 million will be required to repair Sunkoshi Hydropower Project which was damaged by landslides in Kanle of Mankha VDC of last year, according to a joint report prepared by different government bodies.

A joint team of Nepal Electricity Authority, Department of Water Induced Disaster Prevention and Department of Roads (DoR) prepared cost estimation for rehabilitation of the damaged project.

"A joint team was formed to estimate the cost for repair works as the landslide has damaged road and hydropower project as well as property of locals," Badri Phuyal, production chief of Sindupalchowk-Dolakha branch of Nepal Electricity Authority (NEA), said. "It will help us take repair works forward in a coordinated manner."

The landslide had inflicted huge damage on the 10.02-megawatt project. Though the project started power generation from November 25, 2014, officials say huge funding is required to bring the project into previous condition.

Two out of 10 iron gates of the canal and dam were completely destroyed by the landslide. The landslide also damaged turbine, generator and other equipment of the hydro project. According to Phuyal, the project is generating 6 MW of electricity at present.

NEA has decided to expedite maintenance works through 'fast track' mode so that the project can withstand the rainy season. Phuyal said NEA would soon invite tender for repair works.

Source: The Kathmandu Post; 22 Jan 2014

Bhote Koshi resumes power generation

The Bhote Koshi Hydropower Project resumed generating electricity on Wednesday after laying idle for five months since its transmission towers were swept away by a massive landslide and flooding in the Sunkoshi River last August.

To compound its woes, locals and political parties prevented repair work from being done on the transmission towers demanding shares in the company, forcing the crippled 45 MW plant to languish while negotiations were held.

After the project agreed to provide a 6 percent stake to the locals, the way was cleared for repair work to be done on the transmission towers, and it finally became able to generate power.

However, the Nepal Electricity Authority (NEA) has stated that there won't be any changes in the load-shedding schedule even though the energy generated by the power plant has been connected to the national grid.

“The hydel plant supplies around 17-18 MW of energy during the dry season,” said Bhuwan Kumar Chhetri, chief of the load dispatch centre at the NEA. “Hence, there won't be substantial energy to allow us to cut load-shedding hours.” As of now, the NEA has been cutting off the power for around 11 hours daily.

Narendra Prajapati, chief executive officer of the Bhote Koshi Hydropower Project, said that the power plant came back online on Wednesday morning. According to Prajapati, the project is generating 19 MW of energy. “Seven transmission towers have been repaired. Production started at 3 am on Wednesday,” he said.

Apart from allotting shares to the locals, the company will give Rs 2.25 million each to two project-affected village development committees (VDC), Tatopani and Fulpingkatti.

Seven other project-affected VDCs, Marming, Gati, Maneshwara, Ramche, Dhuskun, Tekanpur and Pangretar, will jointly receive Rs 2.25 million. The payments will be made on an annual basis. According to the company, the shares will be distributed at the face value of Rs 100 per share.

It took around five months for the company and the political parties to settle the row and come to an agreement. While the ruling party Nepali Congress (NC) had demanded 10 percent of the shares in the company, the CPN-UML along with the main opposition party the UCPN (Maoist), the CPN-Maoist and Rastriya Prajatantra Party-Nepal had asked for a 35 percent share.

The halt in the functioning of the project had led to energy worth Rs 8.6 million going to waste daily. According to Prajapati, apart from the staff salaries, the Bhote Koshi Power Company incurred a loss of Rs 1.10 billion since it was not functional for a total of 172 days.

After the standoff looked like continuing indefinitely, the Prime Minister intervened in the issue and asked the Ministry of Energy to resolve the issue.

The Bote Koshi project is the first private sector-funded, run-of-the-river project in Nepal. It was incorporated in 1996. The power project's plant is situated in Sindhupalchok, approximately 110 km northeast of [Kathmandu](#) .

The project has been engulfed in controversy ever since it signed a power purchase agreement (PPA) with the NEA in dollar terms in 1996.

Source: The himalayan times; 22 Jan 2014

Bhotekhoshi project begins generating power

Himalayan News ServiceKavre, January 21Bhotekhoshi Hydro Project in Sindhupalchowk, which was disrupted for around five months due to massive landslides at Jure, has begun generating power from today. The hydro project had become dysfunctional after the transmission line collapsed due to landslides in the district on August 2. After electricity supply was obstructed, the local political parties had also obstructed maintenance of the project demanding shares in the project. Due to the obstruction from local parties, the people had been facing a power supply deficit of 45 MW on a daily basis in the country. Chief Executive Officer of the project Narendra Prajapati said the project has begun generating 18 MW power from today after maintenance of the damaged towers of the project. “But electricity production has now, decreased as there is less flow of water in the river,” he added. He said that consumers had to face an extra hour of load shedding every day due to obstruction at the distribution centre through the central transmission line. Project maintenance work had begun after understanding was reached among representatives of the local parties and the project on November 26. The project had begun repairing the damaged towers one-and-a-half month after the disaster, on September 19. Earlier, the ruling and opposition parties’ lawmakers had been obstructing construction work after a protest committee was formed. The parties had obstructed demanding 10 per cent share for Nepali Congress, 35 per cent share to the other parties and 6 per cent share for locals.

Source: The Himalayan Times; 22 Jan 2014

CWEI to submit report on West Seti hydro project by March

Himalayan News Service Kathmandu, January 21 — CWE Investment Corporation (CWEI), the developer of 750MW West Seti Hydropower Project, is expected to submit a final report on potential energy market for the electricity that it generates to the Investment Board Nepal (IBN) in early March. Based on this report, the Chinese company — a subsidiary of China Three Gorges Corporation — will decide whether to start negotiations for Project Development Agreement (PDA), said sources at the IBN, which is overseeing implementation of the West Seti project. “The first draft of the study on potential energy market, land acquisition and related policies is expected by the end of January and the final report in early March,” says a latest newsletter of the IBN. The IBN has been helping the Chinese company to conduct the study by collecting and providing necessary data by liaising with the National Planning Commission and state-owned utility company, Nepal Electricity Authority. Earlier in December, a consulting firm of the project developer, Shanghai Investigation Design and Research Institute Co Ltd, had visited the project site in Doti and Dadeldhura to collect hydrological and other data. The developer of West Seti project is concerned about the country’s future energy needs as the project is generating electricity for domestic consumption and Nepal Electricity Authority, the sole energy buyer here, has not shown keen interest to sign power purchase agreements with huge power developers citing adequate projects have been identified to meet the country’s power demand of wet season till 2017. West Seti project, which was handed over by the government to CWEI in February 2012, is located in the far-western region of the country and will spread in four districts of Doti, Dadeldhura, Baitadi and Bajhang. The project has the capacity to generate electricity for 24 straight hours throughout the year, except in dry season when power generating capacity is expected to dip to eight to nine hours a day. A study conducted by a parliamentary committee before the dissolution of the Constituent Assembly had found that the project will affect over 16,000 people of 2,125 households in 20 village development committees of the four districts. Of these, close to 12,000 people of 1,393 households will have to be relocated, the study showed. However, these estimates were based on 2008 population census and many more people may be affected by the time works begin at the project site, forcing project developers to foot a bill of billions of rupees.