

Source: My Republica; 13 June 2015

## **Power developers to consider external factors while designing project**

RUDRA PANGENI

Independent power developers say damages sustained by hydropower projects in the earthquake will encourage developers to make additional preparations like conducting geological study assessing the risks from external factors and incorporate mitigation measures in project designs, among others.

Khadga Bahadur Bisht, president of Independent Power Producers Association, Nepal (IPPAN), said projects will now consider external factors like earthquake-triggered landslides and cracks on land while designing projects. "We have learnt a lesson. Now we will examine risks outside the project sites and take mitigation measures accordingly," Bisht said, referring to Upper Bhotekoshi Hydropower Project which has suffered damages in penstock pipes and also seen rock fall in the project site.

Over a dozen projects, including Upper Bhotekoshi Hydropower Project, with total capacity of 80 MW have been shut down. They have suffered cumulative loss of Rs 2.30 billion including loss in revenue.

Independent power developers have asked the government to announce compensation package and introduce policy reforms so that they would be able to repair the projects at the earliest.

According to developers, underground infrastructures of hydropower projects are safe compared to those on surface.

Most of the hydropower projects, including under construction projects, have been affected by quake-triggered landslides. Because of this, hundreds of construction workers were evacuated from half a dozen projects. They are yet to return to work.

Developers fear more landslides will hit them during monsoon.

Organizing a press meet on Friday, IPPAN said that they have demanded that the government conduct a geological study and hazard mapping in river basins to prevent further damages.

The developers have also said they would take mitigation measures while designing projects as per the findings of the study.

Structures of hydropower projects are designed to withstand earthquake measuring 8 on Richter scale."

"Reservoir projects generally have life of 100 years, while run-of-river projects have life of 50 years," Madhu Bhetwal, deputy director general at the Department of Electricity Development, said. Bhetwal also said project's size and geological locations are also considered while assessing threats from seismic, flood and glacial lakes outburst flood risks.

Meanwhile, Ministry of Energy is mulling over conducting a study to assess geological threats in

post-earthquake situation.

A quake-triggered landslide had blocked Kaligandaki River near Beni for nearly 17 hours around three weeks ago, forcing officials of Kaligandai Hydropower Project, a downstream project, to open all the gates of the project's dam.

Source: The Kathmandu Post; 14 June 2015

## 7 Sindhupalchok projects cease power generation

- RISHI RAM POUDEL

Seven hydropower projects with a combined capacity of 72MW in Sindhupalchok have ceased generation since the April 25 Great Earthquake, resulting in millions of losses.

Project officials said due to high risk of landslides, it is uncertain when the project would be repaired and resumed. Besides the 102MW Madhya-Bhotekoshi, four other under-construction projects have also sustained damages. Most of the projects have been expected to take more than a year to be repaired. Generation at Bhotekoshi (45MW), Sunkoshi (10.5MW), Old Chaku (6.5MW), Bhairavkund (3.5MW), Baramchi (3.2MW), Sano Sunkoshi (2.6MW), and Mathilo Handikhola (1MW), among others, has been halted. The 45MW Bhotekoshi project has been hit hard. "Based on a preliminary estimate, it will take at least a year to resume generation from the project after it is repaired," said project chief Narendra Prajapati.

On Tuesday, a technical team reached the project site. "As the project is located at high-risk area, we are more focused on preventing the project from further damages from landslides," he said.

Last August, transmission towers of the project were damaged by landslides along the Araniko Highway halting the power generation.

Repair work on seven towers was further halted after various political parties started to obstruct the work demanding shares allocation. And as the power generation resumed, the earthquake wrecked havoc.

The 10.5MW Sunkoshi hydro project had to stop production after the water channel was damaged by the earthquake. The project has started repairing the channel.

Another under-construction project, Upper Chaku, has also sustained significant damages. Umesh Kasaju, executive chairman of Shivashree Hydro, said transmission lines, power house and tunnel have been totally damaged.

"Due to the risk of landslides, it is not possible to repair the project promptly," he said, adding the project has been facing millions of losses. Repair of Old Chaku hydro is also difficult during this four-month monsoon, he said.

Source: The Rising Nepal; 17 June 2015

### **Low water level in Gandak canal affects power production**

Parasi, June 17: Though water supply to the Gandak canal resumed after a gap of three months, the Suryapura Gandak Hydropower Centre in Nawalparasi is yet to begin producing power.

Water to the canal was released by the Indian side on Saturday but power production has not been possible due to insufficient water supply, said foreman of the Suryapura Power House Nagendra Koiri. At least 40 to 45 cusecs of water is essential in the canal to operate the turbine but the water level has not reached to the level as yet, added Koiri.

Power production from the Centre came to a stop after water supply to the canal was closed down by the Indian authorities in March earlier this year. With power production not possible in the past three months, the Centre has been losing revenue worth Rs. 800,000 in a day.

As per the Gandak agreement reached in 2016 B.S., the Gandak Hydel Centre was established to produce 15 MW of power every day. With power production from the Centre, Nawalparasi is currently importing power from Bihar of India. RSS



Source: The Himalayan Times; 19 June 2015

## **THL set to appoint Lahmeyer-Manitoba JV as consultant for Tanahu Hydropower Project**

Tanahu Hydropower Ltd (THL) is all set to appoint the joint venture (JV) between Lahmeyer International GmbH Germany and Manitoba Hydro International of Canada as consultant for the 140-megawatt Tanahu Hydropower Project.

The state-owned special purpose vehicle formed to implement the reservoir-type hydropower project had initiated the final process of appointing the project supervision consultant after receiving 'concurrence letter' from the Asian Development Bank (ADB), one of the project's financiers.

"We received the letter day before yesterday," THL Managing Director Sunil Kumar Dhungel told The Himalayan Times. "We will now table the proposal on consultant appointment to our board of directors. Once the board approves it, we will invite Lahmeyer-Manitoba JV to seal the deal."

THL had sought the ADB's 'concurrence' because the multilateral lending institution had led the consultant selection process on behalf of the government and shortlisted Lahmeyer-Manitoba JV as the consultant.

THL had then started negotiations with the JV to finalise the process of appointing the project supervision consultant.

Although the negotiations began in January, they took a long time to conclude after the JV proposed that non-resident experts it was hiring be exempt from income tax here.

THL then took the matter to the Ministry of Finance (MoF), which denied extending the facility citing the domestic law treats foreigners who have stayed in Nepal for over 183 days as residents. "So, income tax would be levied on remuneration of such people."

Initially, the JV expressed reluctance to accept this condition, citing the issue on income tax was not mentioned in the tender document, sources said. But it eventually agreed to shed the demand and move ahead.

"With the settlement of tax issue, we do not have any other outstanding issue. So, we are ready to sign the agreement," Dhungel said, without mentioning when the deal would be sealed.

THL is appointing the project supervision consultant to receive support in the areas of preparing tender documents to formally build the \$505-million hydro project, project administration and design, engineering services, management control and other technical aspects.

The consultant has agreed to provide these services at a cost of \$26.05 million for a total of 12 years, including one year of pre-construction phase, six years of construction stage and five years of operation stage.

Although the consultant should have been selected in May 2013, the process was delayed after the Commission for the Investigation of Abuse of Authority (CIAA) launched an investigation into the consultant selection process launched by the ADB.

Then on December 17, Energy Minister Radha Kumari Gyawali scrapped the consultant selection process.

The minister's move was severely criticised by the MoF — which had mobilised \$505 million to build the project — as 'it created uncertainty about implementation of the project', which was crucial for the country facing long hours of power outage every day.

The Cabinet on January 1, however, overturned the energy minister's decision, paving the way for the ADB to give continuity to the project supervision consultant selection process.