

Source: Karobar; 6 July 2015

Rs 29b demanded for Budhi Gandaki

BABURAM KHADKA

The Budhi Gandaki Project Development Committee has demanded Rs 29 billion for the fiscal year 2072/73 for land acquisition and procurement, and resettlement and rehabilitation of those to be displaced by the proposed project.

The committee writing to the Energy Ministry on Monday has demanded Rs 28 billion for acquisition and procurement of land in the areas to be inundated, and Rs 1 billion for temporary shelters for 1,373 households. The Detailed Project Report (DPR) prepared by consultant Tractebel Engineering of France has showed Rs 58 billion will be needed for land acquisition and procurement, and resettlement and rehabilitation of those to be displaced from 46 square kilometer of land to be inundated.

Stating that all the houses in the proposed reservoir site of the project have been destroyed by the earthquake, Executive Director of the committee Gopal Basnet said Rs 29 billion has been demanded in the upcoming fiscal year as this is the golden opportunity for resettlement/rehabilitation. "There will be problem in moving the project forward if the work is not started in the upcoming fiscal year," he stated. He revealed that locals in the area to be affected have written to and verbally requested the committee to start land acquisition, and resettlement and rehabilitation immediately. "The locals themselves want to leave the project site now. Their demands will be fulfilled if adequate budget is allocated in the upcoming fiscal year, and there will not be any problem either," he claimed.

He warned that there will be problem in moving the project forward if permanent structures were again constructed in the reservoir area. He said the government has already been asked to ban construction of permanent structures in the areas to be inundated. The DPR has showed that a total of 130,523 ropanis of land including 589 ropanis in market areas, 0,796 ropanis in rural areas and 372 ropanis of gardens will be inundated.

A total of 45,188 persons from 14 VDCs in Gorkha and 13 in Dhading will be displaced due to construction of the reservoir for the project. There has been no transaction of land in the area in the past three years due to talks about construction of the project. Soft loan of Rs 100 billion to be given by India is to be invested on the project, but there has been no decision on that. Political agreement to develop the national pride project has already been reached.

The 1200 MW project is estimated to cost Rs 250 billion and will generate 3.383 billion units of electricity a year. The project is near the major load centers like Kathmandu Valley, Pokhara and Narayangadh. Its dam will be 263 meters high while per MW cost of the project will be Rs 212.50 million and per unit cost Rs 7.35. The project was set to be completed by 2022.

Finance Ministry to give only Rs 4 billion

The Finance Ministry, meanwhile, will give only Rs 4 billion despite the committee demanding Rs 29 billion in the upcoming fiscal year. Energy Secretary Rajendra Kishore Chhetri said Finance Minister Dr Ram Sharan Mahat has expressed commitment to allocate a minimum of Rs 4 billion for the project in the upcoming fiscal year. He said minister Mahat has promised to provide additional budget for the project if the allocated amount were spent.

Source: My Republica; 6 July 2015

Flood damages Mewa Khola Hydropower Project

Flood in Mewa Khola has damaged powerhouse of Mewa Khola Hydropower Project (1 MW) and swept away all the equipment. According to Lalit Kumar Rai, project manager of Mewa Khola Hydropower project, the rain-swollen Mewa Khola caused damages in the powerhouse on Saturday night. Loss due to the flood has been estimated at Rs 4 million.

"The powerhouse has been badly damaged and all the equipment have been swept away," Rai said. General people own 30 percent of shares in the project which is estimated to cost Rs 190 million. Similarly, banks have financed the remaining 70 percent.

Rai said the flood has affected their target of completing the project by mid-September. The project is being developed by Sapsu-Kalika (P) Ltd. The project, which aims to electrify all 40 VDCs of Khotang district, is located near the confluence of Sapsu Khola and Mewa Khola.

Source: The Himalayan Times; 9 July 2015

What to expect in the budget

Published: July 9, 2015

President Ram Baran Yadav on Wednesday unveiled 'Policies and Programmes' for the next fiscal year at the Parliament.

Addressing parliamentarians and other dignitaries, the President said: "The budget of the next fiscal year will focus on reconstruction, energy sector, development of physical infrastructure, commercialisation of agriculture, industrial development, tourism promotion, employment generation and social development." The policies and programmes announced by the President work as a guiding tool for the government to frame the annual budget. In other words, Finance Minister Ram Sharan Mahat will prepare the budget for Fiscal Year 2015-16 by referring to announcement made today by the President.

Energy

- Private sector to be allowed to build transmission lines under build-and-transfer model
- Master plan for inter-country transmission line to be prepared
- Construction of Budhigandaki Hydropower Project to be initiated
- A detailed project report for Nalsinghad Hydropower Project to be prepared
- Dry season load-shedding to be reduced to maximum eight hours a day
- Electricity produced by sugar mills to be utilised during dry seasons
- Nepal Electricity Authority to be restructured

Source: The Himalayan Times; 9 July 2015

Who said what?

Following the announcement of the 'Policies and Programmes', The Himalayan Times spoke to a few eminent business personalities to gauge the general mood. Here is what they had to say...

Most of the Policies and Programmes announced by the President for the next fiscal year are not new. This may be because the government has limitations at present, as it has to focus more on rehabilitation and reconstruction. Yet, we welcome the announcement made by the President to engage the private sector in reconstruction activities. Now it is the government's duty to roll out proper policies and strategies to increase participation of the private sector on this front. Also, what the government needs to focus on is implementation. As of now, we have only seen the government making tall promises. But it has always failed to deliver. So, it is high time the government walk the talk.

We welcome the proposal to update hydropower development master-plans on Koshi, Gandaki, Karnali and Mahakali basins. Also, proposals to frame a new law on land acquisition and promote construction of reservoir-based hydropower projects are welcome steps. However, Policies and Programmes announced by the President did not utter a word on implementation of Power Trade Agreement signed with India last year. In order to kick-start power trading between Nepal and India, proper institutions need to be put in place, and there should also be room for the private sector in that business. Also, the Policies and Programmes failed to address problems being faced by hydro project developers who suffered losses during recent earthquakes.

- Khadga Bahadur Bisht, President, Independent Power Producers' Association, Nepal

Source: My Republica; 6 July 2015

Government aims to cap load shedding at eight hours

Load-shedding hours will be capped at eight hours during dry months this year, the government said in its policy and program on Wednesday, but there is no reliable basis yet for increasing generation to do so.

Last year, household user went through a maximum of 12 hours of power cuts while the outage for the industries was even more.

The policy and program document unveiled on Wednesday says that the undergoing construction of plants will be completed in time and all the power-plants will be operated in full capacity. Hydropower plants with a total capacity of 80 MW have been damaged by the April-25 quake. The energy supply system requires at least 3 million units more energy per day to limit the blackout hours to eight hours but no substantial figures were available to bring the announcement into reality.

If everything goes as planned, Chameliya and Kulekhani III -- with a combined 44 MW installed capacity -- can be connected to the national grid. But generation of both will be only one-third during dry months. Both are government projects and no major hydropower projects are coming online into the system this year. Importing the energy from India could be a plan but construction of a substation at Dhalkebar won't be completed at least in the next twelve months though the laying of transmission lines will be completed in a few months.

"However, there is possibility of importing 80 MW from India by fitting temporary transformers in Indian territory with the permission of India," an official said, but the system won't be enough for keeping the government's words.

Moreover, the forecast for load-shedding also depends on water collection levels in the Kulekhani reservoir, Nepal Electricity Authority (NEA) officials seeking not to be named say. Hydropower plants -- including the 45 MW Upper Bhotekoshi Hydropower Project -- remain damaged after the earthquake and they won't be ready for the upcoming dry months.

The various types of power plants in Nepal have a total 725 MW installed capacity. Most of them are hydropower plants whose generation comes down to one-third capacity during dry months.

Nepal's energy demand increases by about 8 percent every year.

Source: The Kathmandu Post; 10 July 2015

Erosion in Budhi Gandaki River displaces 33 families in Soti Bazar

At least 33 families at Soti Bazaar in Thumi VDC-6 of Gorkha district have been displaced after the banks of Budhi Gandaki River started eroding.

A local, Sapana Gurung, informed that the banks started eroding after water levels at Budhi Gandaki River and Soti Khola increased due to continuous rainfall since Thursday.

“A lake has been formed at the Budhi Gandaki River after the flood in Soti Khola deposited rocks, tree trunks and debris, said Gurung, “The water that has been blocked by the debris has reached near human settlements.”

Gurung further said that locals abandoned their houses at around 12 am midnight when the [erosion](#) started and have taken shelter in the nearby jungle uphill. She further informed that the sinkholes have developed in the area due to the formation of lake.

A Nepal Army officer of the Bhairawi Battalion, Prem Bahadur Thapa, informed that a team of NA personnel rescued the locals after Soti Bazaar was at risk. A team of Nepal Police and Army assisted the locals to shift their belongings from their houses.

Meanwhile, the water level in the lake has decreased after the rainfall stopped, informed Arughat Police Beat Inspector Rabindra Khanal.