

Source: My Republica; 12 July 2015

## **Budhigandaki Hydro Project at any cost: PM Koirala**

Prime Minister Sushil Koirala has said that the Budhigandaki Hydropower Project would be constructed at any cost.

Talking to a delegation comprising leaders of different political parties from Gorkha and Dhading districts at his official residence in Baluwatar this morning, PM Koirala said that the project would be included in the new budget.

The delegation met the PM for drawing his attention for immediate beginning of the project.

On the occasion, PM Koirala directed Finance Minister Dr Ram Sharan Mahat and Energy Minister Radha Kumari Gyawali to take necessary actions in this regard.

The delegation led by Nepali Congress Chief Whip Chinkaji Shrestha urged the PM to take initiation for the immediate construction of the project, as it was included in the policy and programmes of the government as well.

Budhigandaki Hydropower Project is included as the national pride project and it should be constructed with utmost priority, said the delegation team.

On the occasion, the politicians from the affected two districts urged the government to make arrangements of the resettlement of the people of the affected areas by providing due compensation of the land.

The Detailed Project Report (DPR) of the 1,200 MW Project has reached in the final phase, it is said.

A French company, which has been carrying out the DPR, said that there was a slight delay in submitting the report due to the devastating quake. The Company has hinted at the possibility of shifting the affected people at Seurenitar of Gorkha.

During the meeting, the delegation team also asked the PM to intensify the resettlement projects, reconstruction of historical, religious, cultural heritages and other developmental projects in the worst quake-hit areas in these districts.

Politicians Rajendra Prasad Pandey, Guru Prasad Burlakoti, Parashu Ram Tamang, Dhan Bahadur Ghale, Dilman Pakhrin and other local leaders of different political parties were present on the occasion. RSS - See more at: <http://myrepublica.com/economy/item/24393-budhigandaki-hydro-project-at-any-cost-pm-koirala.html#sthash.wilAtpms.dpuf>

Source: The Kathmandu Post; 13 July 2015

## **Rs29b sought for Budhi Gandaki**

The Ministry of Energy has urged the Finance Ministry to allocate Rs29 billion in the upcoming budget for the development of the Budhi Gandaki Hydropower Project. According to Energy Minister Radha Gyawali, the national pride project has not been able to make much headway due to lack of funds. The storage type project is expected to allow the country to get out of the energy crisis.

Despite being rich in terms of water resources, power outages are a sad fact in Nepal because there are no storage type projects to generate electricity during the dry months when the water flow in the rivers drop.

“The project needs Rs58 billion for resettlement and land acquisition alone,” said Gyawali, adding that the ministry had asked for half the amount to get the project off the ground. She said that the Finance Ministry seemed to be positive about the demand, and that the issue would be finalized on Monday, a day before the budget for the fiscal year 2015-16 is scheduled to be presented in Parliament.

According to Gyawali, the development of the energy sector is the backbone of the country’s economic sector, hence the Finance Ministry should increase the allocation for the ministry in the upcoming budget. “There are several areas where we need funds to initiate projects,” Gyawali said.

Source: Karobar; 14 July 2015

# **Announcement of adding 600 MW without informing Energy Ministry**

BABURAM KHADKA

The Energy Ministry has been surprised after the government in the budget announced addition of 600 MW of electricity to raise installed capacity to 1418 MW in the upcoming fiscal year.

The Appendix 18 of the budget book mentions about addition of 600 MW in the upcoming fiscal year 2072/73 but it does not mention which projects will be completed for addition of that. No project apart from 30 MW Chameliya are expected to be completed in the upcoming fiscal year, and even that may not be completed in the year if the Nepal Electricity Authority (NEA) does not resolve the problems soon. The budget book states that the current installed capacity is 818 MW.

“There is no chance of generation of additional 600 MW in the upcoming fiscal year,” Energy Secretary Rajendra Kishore Chhetri expressed surprise. “I don’t know how this figure came. I will ask the Finance Ministry about that. We have not provided such data,” he added. He revealed that Upper Tamakoshi Hydropower Project, that was expected to be completed by July, 2016, will be delayed by a year due to the earthquake.

The government aims to limit load-shedding to eight hours a day during the winter by adding 600 MW. Demand has increased to 1291 MW in the current year. There is currently load-shedding of up to seven hours a day due to fall in supply by around 80 MW after closure of 10 projects including 45 MW Upper Bhotekoshi and 10 MW Sunkoshi following the earthquake.

The government similarly has targeted to raise per capita electricity consumption to 270 units a year in the upcoming year from the current 130 units. It aims to expand transmission line to 2740 kilometers by completing another 100 kilometers, and limit leakage to 24.7 percent by reducing it by 1.5 percentage points. It has allocated a budget of Rs 51.21 billion including Rs 33 billion for electricity generation and distribution, Rs 12.73 billion for expansion of transmission lines, and Rs 5.49 billion for alternative energy. A total of Rs 370 million has been allocated for detailed project report (DPR) for the proposed 410 MW Nalsingh Gad reservoir project.

The government has also continued the subsidy provided for the private sector for development of hydropower projects. The government has adopted a policy of moving projects forward through Remittance Hydro by forming capital by using remittance in productive sector. It aims to sign project development agreement (PDA) with promoters of 660 MW Tamakoshi III and 600 MW Upper Marsyangdi II with whom PDA dialogue is currently being held.

Transmission lines will be constructed through the National Transmission Grid Company in build-own-transfer (BOT) model with participation of the private sector. National Electricity Trading Company will be established for trading of electricity domestically and internationally.

**There will not be dearth of budget for Budhi Gandaki: Finance Minister**

Finance Minister Dr Ram Sharan Mahat has assured that there will not be lack of budget for land acquisition for the proposed 1200 MW Budhi Gandaki reservoir project. Revealing that the government has allocated Rs 3.37 billion for land acquisition and distribution of compensation for the national pride project, he added that additional budget will be provided if the amount were to be insufficient.

The Budhi Gandaki Hydropower Project Development Committee had demanded Rs 29 billion, half of the Rs 58 billion deemed necessary for land acquisition and distribution of compensation, in the upcoming fiscal year.

Source: My Republica; 15 July 2015

## **Hydropower, Tourism get top priority**

The budget for Fiscal Year 2014/15 has put focus on reconstruction activities after the devastating earthquake of April 25.

Presenting the budget in the parliament on Tuesday, Minister for Finance Ram Sharan Mahat unveiled plan to increase telecommunication service charge by 1 percentage points. The amount thus collected will be deposited in 'Heritage Fund' under the National Reconstruction Fund. This will increase the ownership and contribution of Nepalis in the fund, according to Mahat. The finance minister said that necessary provisions will be made so that Nepalis living abroad can also deposit their support into the fund.

### **HYDROPOWER**

The government has allocated Rs 51.21 billion for electricity production, transmission and distribution in the next fiscal year. Similarly, the government has introduced a new provision named 'remit hydro' to use remittance in productive area. The government has said it will sign agreement for development of Tamakoshi III (800MW) and Marshyangdi (400 MW) hydropower projects in the next fiscal year. The government has allocated Rs 12.73 billion for construction of transmission lines. Similarly, it is establishing electricity trading company for trading of energy in domestic and international markets. The government has allocated Rs 450 million to install solar street lights in municipalities and solar system in urban areas. It has set aside Rs 4.85 to provide solar lights and portable metallic rocket stoves to quake-hit people.