

Source: My Republica; 19 Aug 2015

Energy Minister complains about interference by parliamentary panels

Minister for Energy Radha Gyawali on Tuesday said parliamentary committees were interfering with the works of government agencies.

Speaking at the 30th anniversary of Nepal Electricity Authority (NEA), Gyawali, who is also chairperson of NEA's board, said parliamentary committees should facilitate government agencies instead of interfering with their works.

She was referring to the direction of parliamentary Finance Committee to take action against those allegedly involved in massive rise in variation order of Chameliya Hydropower Project.

Minister Gyawali as well as NEA board members and some senior officials of NEA are the persons alleged to have committed irregularities.

Gyawali also said she has already raised the issue before Speaker Subash Chandra Nembang.

Accumulated loss of the power utility in the last four years stands at Rs 26.79 billion. Its net loss in 2014/15 was Rs 6.51 billion.

Mukesh Raj Kafle, managing director of NEA, blamed stable power tariff despite hike in purchase price as the reasons behind ballooning loss figures.

NEA imported electricity worth Rs 10 billion in the last fiscal year. Price difference on import and tariff alone inflicted loss of Rs 2.5 billion on NEA, said Kafle.

The government had written off its accumulated loss of Rs 27 billion four years ago.

Meanwhile, NEA's income from sale of electricity increased by 5.89 percent to Rs 30.48 billion in the review year. Its total income reached Rs 32.56 billion in 2014/15.

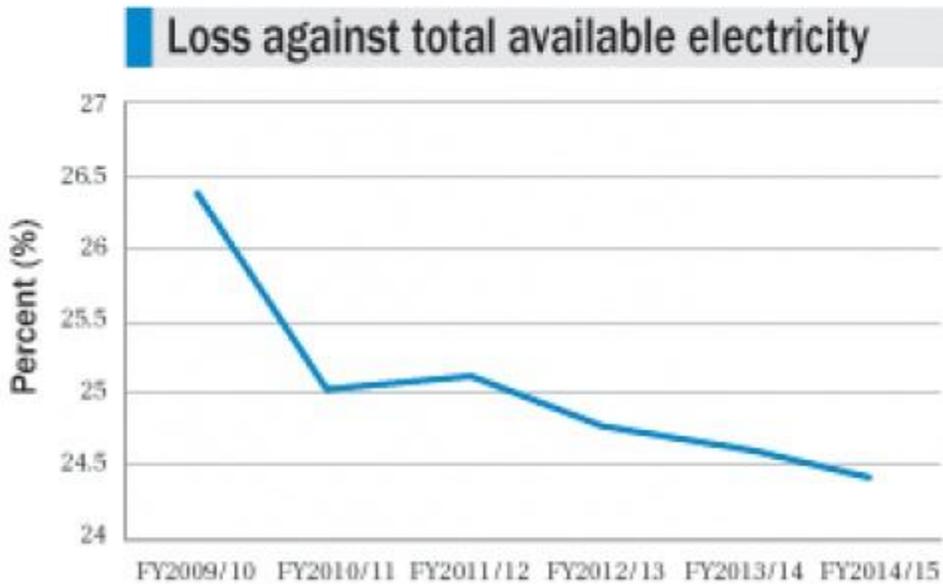
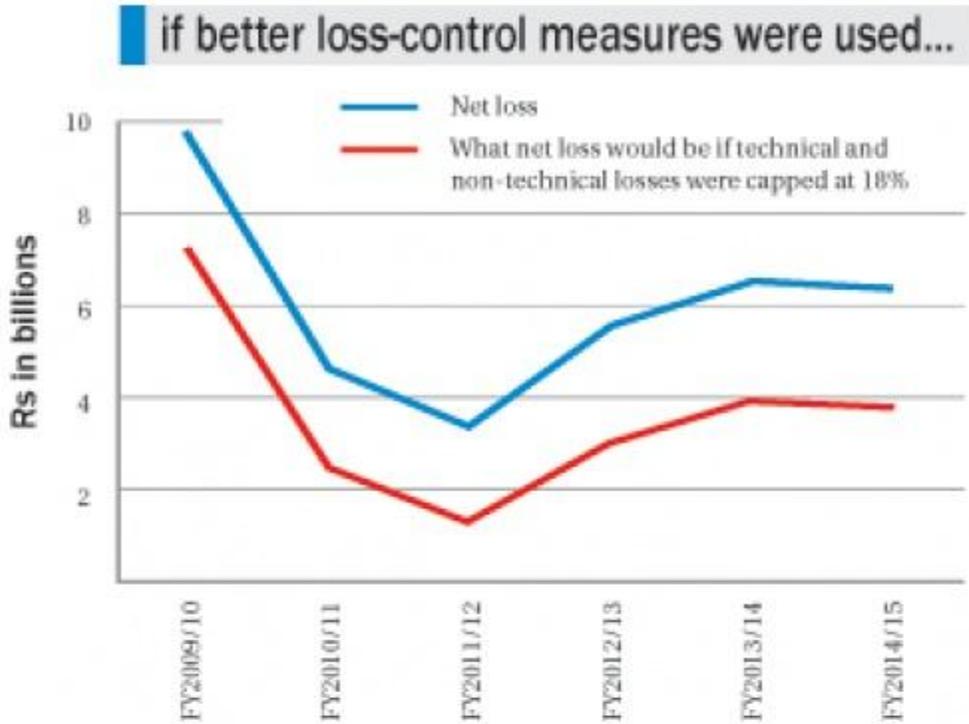
NEA's technical loss, which stands at around 25 percent, is one of the reasons behind increasing loss of the power utility.

- See more at: <http://www.myrepublica.com/economy/story/26640/energy-minister-complains-about-interference-by-parliamentary-panels.html#sthash.RbrzvpXr.dpuf>

Source: My Republica; 19 Aug 2015

Failure to plug system loss causes NEA huge loss

RUDRA PANGENI



KATHMANDU, Aug 20: Loss of energy during transmission and distribution has remained more or less stable over the past four years.

In the four-year period, Nepal Electricity Authority (NEA) managed to bring down energy loss by mere 0.77 percentage points. NEA's energy loss currently stands at 24.44 percent of total energy in its grid. It shows NEA's efforts to reduce energy loss are not becoming effective.

Though technical loss is inevitable, many NEA officials agree that such loss can be reduced to around 18 percent. By bringing down technical loss to around 18 percent, NEA can save around Rs 2.62 billion annually. NEA, which reported net loss of Rs 6.46 billion in the last fiscal year, could have saved Rs 9.81 billion over the past four years by reducing technical loss to 18 percent.

While proposing tariff hike plan to Electricity Tariff Fixation Commission in 2011/12, NEA had expressed commitment to reduce system loss by one percentage point annually. But NEA has failed to keep it words.

Energy theft account for about 8 to 9 percentage points of total system loss, according to NEA officials. Though NEA has a separate division to control system loss, the division has not been able to work effectively. Similarly, NEA also has launched Supply Side Energy Efficiency Improvement Program as part of Energy Access and Efficiency Improvement Project funded by Asian Development Bank to improve supply side efficiency. The program, which started in 2009, is ending in mid-2016. The outcomes of the program have not been made public yet.

Officials of Loss Control Division under NEA claimed say they have been working hard to bring down system loss."Our managing director himself monitored the process of downloading data from Time of Day (ToD) meters recently. We have recovered 2.2 million units of electricity by monitoring 482 ToDs" Sachchidanand Yadav, manager of the division, told Republica.

There are inherent problems in ToD to confirm that the consumption pattern of electricity is verified. ToDs are placed at commercial users of electricity particularly at industries and factories that have electricity connection 25 KVA and above.

Kafle had recently visited Biratnagar, Birgunj and Janakpur oversee verification of consumption pattern of electricity.

Yadav also claimed that they were continuing programs to combat electricity theft.

According to officials, loss in distribution constitutes around 16.81 percentage points in total system loss.

Ram Chandra Pandey, deputy managing director of Distribution and Consumer Services at NEA, argues that most of the rural areas are prone to unavoidable technical loss."It is difficult to bring down system loss" he said, adding,"High demand during peak hours and low in off-peak hours in rural areas causes significant energy loss. This is different from demand pattern of urban users"

NEA has to compromise on technical rules while building transmission lines and distribution

system which also increases system loss." "An 11 KV transmission line, for example, is feasible for extension up to 15 kilometers. But it is extended up to 35 or 40 kilometers. Also, low voltage lines are extended without considering technical aspects" " Pandey said, adding it causes huge technical loss.

Source: The Kathmandu Post; 19 Aug 2014

Nepal's peak hour power consumption up 7.56pc

Nepal saw a 7.56 percent growth in peak hour electricity consumption during the last fiscal year. According to the Nepal Electricity Authority (NEA), peak power demand of the Integrated Nepal Power System (INPS) in 2014-15 stood at 1,291.8 MW, with 585 MW load-shedding. In 2013-14, the figure was 1,201 MW.

The NEA's own hydropower projects supplied 357.68 MW, independent power producers (IPPs) contributed 124.71 MW and 224.41 MW of electricity was imported from India.

Peak demand or peak load is an energy demand management describing a period in which electrical power is expected to be provided for a sustained period at a significantly higher than average supply level.

The NEA claimed that it had succeeded in minimizing load-shedding hours despite a huge surge in power demand.

"Given the power supply options, we had projected a maximum of 12 hours of daily load-shedding during the driest months—January, February and April. However, we succeeded in reducing load-shedding by one hour daily to 11 hours," said NEA Managing Director Mukesh Raj Kafle, addressing the NEA's 30th anniversary on Tuesday.

He added that efficient operation of the Kulekhani reservoir at the onset of the dry season had helped to cut load-shedding hours to some extent. The NEA said that electricity consumers had grown 5.75 percent to 2.87 million as of 2013-14.

The financial performance of the NEA has not been satisfactory. The state-owned power utility said that it incurred a loss of Rs6.51 billion in the last fiscal year. With this, its accumulated losses have ballooned to Rs26.79 billion.

Four years ago, the government had written off its accumulated losses amounting to Rs27 billion. The NEA earned Rs32.56 billion in revenues in the last fiscal year.

Kafle said that it had become a must to review the electricity tariff to offset its ballooning losses. "As a long-term or permanent solution, there is a need to implement an automatic tariff revision system to make the NEA sustainable. We cannot bring down the power tariff, but we can promise to improve generation, transmission and distribution to reduce our current losses," Kafle said.

Energy Minister Radha Gyawali said that reviewing the tariff was one way to cut the NEA's losses. "But from a broader perspective, controlling electricity leakage is the answer."

The NEA has urged the Electricity Tariff Fixation Committee to hike the tariff by 20 percent. In June 2012, the committee had raised the tariff by 20 percent, the first hike in 11 years. "We will not interfere in this matter if the NEA thinks it is time to hike energy charges," Gyawali said.

Regarding the matter of unbundling the NEA, Gyawali said that the government had decided to divide the power utility into generation, transmission and distribution entities in 2011, and that she had just given continuity to the plan.

"Water resources and energy are the biggest assets of Nepal. The NEA has grown substantially over the past decades and has become a big family. A division will ensure better management," she said.