

Source: Karobar; 8 Sep 2015

## **Nepali transformers in Bhutan, foreign in Nepal**

BABURAM KHADKA

Bhutan has done electrification using Nepali transformers at a time when the Nepal Electricity Authority (NEA) has been procuring transformers from abroad.

All transformers installed in the country, with population of around 750,000, are Nepal-made apart from a few Indians. The NEA, on the other hand, has been procuring from China and Sri Lanka, and it buys Nepali transformers only at times of emergency. Nepal Ekarat Engineering Company (NEEK) has sold over 4,000 units of different capacities to government-owned Bhutan Power Corporation (BPC) after starting in 2006. BPC has signed two-year procurement agreement with NEEK for over 1,500 units of different capacities to displace old ones and increase capacity.

General Secretary of Bhutan Chamber of Commerce Phuba Tshering says Nepali transformers have been imported as they are cheap and of high quality. He reveals that Nepal had trade surplus with Bhutan when sale of transformers to Bhutan was high, and claims that Nepal now has trade deficit with Bhutan after import of transformers fell following completion of electrification campaign. Nepal exported goods worth Rs 120 million to Bhutan and import was Rs 400 million in the last fiscal year, according to the Trade and Export promotion Center (TEPC).

Managing Director of NEEK Kush Kumar Joshi says preparations are on to export transformers to Bangladesh as well due to demand from the country as Nepali transformers are of high quality and reduce leakage. NEEK has taken part in the global bidding process to export transformers to Bangladesh. He accuses the NEA of not wanting to buy Nepali transformers by citing procurement process.

“We are not allowed to even compete in the bidding process in different pretexts even though our transformers are of high quality. The NEA has been importing foreign transformers despite option of domestic products. They make Nepali transformers expensive by adding customs duty but don’t add on foreign ones. How can we compete in such situation?” he elaborates and complains that the procurement process is obstructing domestic products. NEEK produces 6,000 transformers a year, according to him.

MD of NEA Mukesh Raj Kafle says Nepali transformers cannot be procured due to the Public Procurement Act. “We have not been able to procure transformers of NEEK even though they are of high quality as Chinese manufacturers quote a lower price,” he states. He had prepared a report saying NEEK transformers are of good quality while in the sub-committee to probe procurement of transformers.

Energy Minister Radha Kumari Gyawali expressed dissatisfaction with the NEA for not showing interest to procure Nepali transformers despite being of good quality. “I had summoned Joshi

after hearing that Nepali transformers are good. But the then MD of NEA did not show interest in different pretexts,” she claims.

The Commission for Investigation of Abuse of Authority (CIAA) had lodged corruption cases against over 20 NEA officials on import of substandard transformers from China and Thailand. There is higher leakage in foreign transformers as the majority of them use aluminum wire instead of copper.

### **Delay in bringing transformers by LTL**

LTL Holdings of Sri Lanka has not been able to supply transformers even a year after contract agreement. It had signed agreement to supply all the transformers by mid-January but has yet to supply one lot. Minister Gyawali says LTL must be asked to pay compensation for failing to provide transformers in scheduled time. She told Karobar that the company has been dallying despite repeated reminders. LTL had signed the agreement to supply 1,040 transformers at Rs 205 million in three lots.

She is also unhappy about the delay in supply of electricity meters.

Source: My Republica; 10 Sep 2015

## **‘Upper Karnali project will impact downstream projects’**

### **GMR looking for feasible and economically viable options**

Irrigation projects downstream of Upper Karnali Hydropower Project will be affected if the project is developed according to the proposed design, a preliminary finding by a study of the downstream effect of the project revealed.

According to the preliminary findings, the developer cannot construct a project to store water for about twenty-and-a-half hours daily during dry months and generate electricity at the full installed capacity of 900 MW during peak hours, which would be about three and a half hours long, and sell the energy at least twice the rate of normal hours.

GMR, the Indian Developer, can sell peak hour electricity at a rate of at least twice to that of off-peak hours. The developer started the process of development of the mega-project after signing a Project Development Agreement (PDA) with the government last September and the developer has agreed to build a reregulating pond to store the water in the tailrace of the project to harmonize the water flow downstream.

Department of Irrigation (DoI) Director General Madhav Belwase said that the developer was now trying to find the 'best feasible' alternatives to avoid impacting others as the project cannot be developed with three-and-a-half-hour peak-hour capacity.

The PDA says that the developer is responsible for any downstream impact on irrigation projects and the developer has to study within six months of signing PDA to ascertain the impact as well as have to address the problem. But the developer is yet to complete the study though almost a year has gone by. The irrigation projects, including Ranijamara Kulariya of Kailali, are downstream and the irrigation facility will face shortage of water if the hydro the project stores water for a peak-hour facility.

The developer has to get the study approved by DoI and make a reregulating dam below the irrigation project if necessary to harmonize water-flow downstream for irrigation projects.

Experts say the cost of the project may increase as it has to prepare the reregulating dam, which is itself a huge structure like its main dam, to store the water or it can operate few of its turbines to feed irrigation projects round-the-clock. During the negotiations, DoI raised the issue of impact on the irrigation projects and accordingly DoI was given the authority to approve the impact.

The peak-hours price is two to three times higher than normal-time prices therefore the project may have to lose the expected income of the peak-hour energy, said Khadga Bahadur Bisht, president of Independent Power Producers Association. "The cost of the reregulating dam may be too high for the developer compared to the potential earning from peak-hour energy," Bisht

added.

Other experts are of the opinion that the government can develop a separate hydropower project downstream and generate electricity using a reregulating dam. The project is located in Dailekh, Surkhet and Achham and the project is export-oriented.

Source: The Himalayan Times; 11 Sep 2015

## **NEA trains engineers for reconstruction**

Nepal Engineers' Association (NEA), with focus on need of technical skills for reconstruction works, has provided 'Post Damage Assessment and Repair' trainings to 760 engineers and architects.

The trained engineers and architects will play a vital role in repair, maintenance and reconstruction of damaged physical infrastructures in the second phase, according to Subhash Chandra Baral, coordinator of the NEA's Rapid Visual Damage Assessment (RVDA). Under the first phase, more than 3,500 engineers had conducted RVDA of over 60,000 houses after the April and May earthquakes.

United Nations Development Programme (UNDP) and Department of Urban Development and Building Construction (DUDCB) have supported NEA in the damage assessment and repair trainings.

As the country lacks skilled technical workforce for the reconstruction, NEA has also been providing 10-day advanced trainings to engineers in associations with DUDBC, Institute of Engineering, Pulchowk and UNDP, with technical support of New Zealand.

Baral, who is also the coordinator of the training, said the advanced training on 'Seismic Assessment and Strengthening of Existing Buildings and Geotechnical Assessment' would help enhance skill of Nepali engineers. "The engineers undergoing the training will play a vital role in government's reconstruction works," he added.

Source: The Rising Nepal; 11 Sep 2015

## **40% works of Lower Modikhola Hydel Project completed**

The construction of the Lower Modikhola Hydropower Project is picking pace with the completion of 40 per cent of its total works. The project of 20 megawatt is expected to complete within a year.

Likewise, more than 57 works of tunnel construction is over so far, said the Project Chief Paban Kumar Yadav.

He said the construction works was expedited after it was handed over the contractor for digging tunnel and carrying out the civil construction some seven months ago.

"Forty percent works of the project has been completed so far. The works will speed up more after the Dashain festival and it will be completed within one year," he said.

According to the project, digging tunnel is going on dividing the works into six points. Out of a total of 4,024 meters of the tunnel, 2,310 meters have been dug so far. The construction of power house has also begun as well.

Earlier the project has extended one-year term to complete it due to various reasons including frequent strikes and agitations.

Located in Kusma Municipality in Parbat, the construction works of around Rs 3.51 billion-project is awarded to the Manang Trade Links.